Tuesday December 8 F187

World News

Carlucci seeks \$33bn firm to lay cut in US off 700 arms budget employees

Frank Carlucci, the new US Frank Carlucci, the new US Defence Secretary, has ordered the Pentagon to prepare cuts of about \$33bn from next year's military budget.

Some Pentagon officials are already mustering support for a counter-attack, leaking reports that important weapons systems could be jeopardised by the planned cuts.

The proposed cuts represent a reduction of about 10 per cent on the estimates drawn up by Cas-

the estimates drawn up-by Cas-par Weinberger, Carlucci's prede-cessor. Page 4

Brazil nuclear sub plan Brazil has spent \$38m on a nuclear submarine project and expects to build the vessel by the and of the century, Henrique Saboia, the navy minister, said yesterday. He forecast the final cost would be over \$300m.

Bank row spreads

French unions called for a day of protest against the Banque de France today. Most of the bank's subsidiaries around the country were expected to be closed. Page

India warns US India warned the US that rela-

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tions will deteriorate if the US goes ahead with an attempt to make supplies of aid and high technology conditional on India opening nuclear installations to international inspection. Page 4

TV satellite in trouble

Engineers are trying to repair Europe's first direct broadcasting satellite, more than two weeks after its launch. Unless fixed, the satellite may be able to transmit only two television channels rather than four. Page 2

Poles snub venture Workers' management councils at four Polish electronics plants refused to join Elpoi, a week-old venture integrating the country's electronics industry. Page 2

Onapin found dead

Jaime Ongpin, former Pfdlippine finance minister, was found shot dead. His son suggested he had killed himself. Obituary, Page 4 Iran fires at Kuwait

Iran appeared to signal its dis-

pleasure at Kuwait's decision to lend the US Navy a barge in the northern Gulf by firing a missile into Kuwaiti territorial waters. Dhaka protest strike Bangladeshi President Ershad

within three months. A strike

closed most Dhaka shops, offices, banks and factories. Strike details, Page 4

Mudslide kills 15 At least 15 people were killed and about 100 missing after mudslides in the Peruvian Andes 400 km northeast of Lima, said police. An official said the death toll could be as high as 60.

Aegean plan snubbed

Greece, Turkey and Cyprus rejected a proposal by the US Congress for the appointment of a special American envoy to help resolve the Cyprus problem and Greek-Turkish differences in the Aegean. Page 3

Zola auction halted

The Paris appeals court has blocked the auctioning of the famous Dreyfus manuscript known as Jaccuse by Emile Zola until a dispute between his

Dissidents unite

Leaders of 25 dissident groups in the southern Polish city of Krakow announced the creation of a federation to co-ordinate opposi-

5m Ethiopians fat risk'

At least 5.2m Ethiopians will be at risk from drought next year, said Javier Perez de Cuellar, UN Secretary-General. He estimated one million tons of food aid

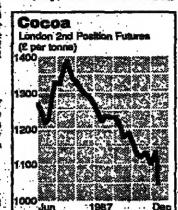
Business Summary

Wall Street

I. F. ROTHSCHILD, the Wall Street securities firm which lost a quarter of its equity capital in the stock-market crash, is laying off almost half its workforce in a desperate bid to preserve its 88-

The firm, in which J. Rothschild Holdings of the UK holds an 8 per cent stake, said that it was laying off 700 of the 2,000 employees it started the year with after negotiations on a sale or capital infusion were broken off. Page 26

LEGRAND, French electricals company, made a counter-bid for



MK Electric, valuing the UK electrical accessories manufac-turer at \$255m (\$456.5m). This compares to the \$206.5m value of the original unwelcome offer from RTZ, UK mining and energy consomerate. Page 26,

TELEX, US computer peripheral equipment manufacturer, has received a takeover offer from Memorex, London-based computer memory group. Page 27

COCOA prices plunged in Lon-don and New York after the fail-ure of the International Cocoa Organisation's talks on a price support mechanism. The March position cocos contract fell 489 a tonne to \$1,048 in London. Com-modities, Page 34

WALL STREET: The Dow Jones industrial average closed 45.43 up, at 1812.17. Page 46

LONDON: A steady dollar led account firmly, although rises were trimmed by a faltering start in New York. The FT-SE 100 index closed 15.6 higher at: 1.598.4. The FT Ordinary index firmed 16.6 to 1,279.3. Details,

TORYO: Late small-lot buying pared early gains to leave the Nikkei average 86.89 down from Saturday's half-session at 22.588.52 in meagre trade. Page

DOLLAR closed in New York at DM1.6785, FFr5.6840. SFr1.3695 and Y132.95. It closed in London at DM1.6715 (DM1.6690); FFr5.6650 (FFr5.6575); and SFr1.3660 (SFr1.3640); Y132.75 (Y132,80). Page 35

STERLING closed in New York at \$1.7860. It closed in London at \$1.7945 (\$1.7975); DM3.00 (DM2.9975); FFr10.1650 (FFr10.17); Y228.25 (Y238.75); and SFr2.4525 (unchanged). Page 35

WILLIAMS HOLDINGS, UK industrial conglomerate, acquired Berger, Jenson & Nicholson from Hoechst, West German chemical group for \$133m making its second major move into the decorative paint market in six months. Page 27

OLYMPIA & YORK, Canadian property and resources group, has revealed in a filing with the Securities Exchange Commission that it does not researtly intend that it does not "presently intend to propose" a cash offer of \$63 per share for Santa Fe Southern Pacific, Chicago-based transport group. Page 27

TONKA, US toy maker, expects to report a net loss of \$8m in 1987, followed by a recovery in 1988, with results falling in a range of break-even to a profit of \$10m Page 27. \$10m. Page 27

MITSUBISHI ELECTRIC, Japanese machinery and computing group, increased net earnings 23 per cent in its first half to September to Y9.72bn (\$73.2m) com-pared with Y7.90bn in the corresponding period last year. Page

Gorbachev and Thatcher declare arms deal hopes

BY PETER RIDDELL, POLITICAL EDITOR, IN BRIZE NORTON

MR MIKHAIT, GORRACHEV, the MK MIKHAIL GORBACHEY, the Soviet leader, and Mrs Margaret Thatcher, the UK Prime Minister, yesterday expressed mutual confidence that today's signing of the US-Soviet treaty eliminating intermediate-range nuclear weapons would soon be followed by further agreement on both nuclear and conventional arms reductions.

reductions. reductions.

They were speaking after Mr Gorbachev's brief stopover in Britain on his way to the four-day Washington summit with President Ronald Reagan.

The meeting took place at the British airforce base at Brize Norton, Oxfordshire, in central England. It was the first such visit to Britain by a Soviet general secretary since 1956.

visit to Britain by a Soviet general secretary since 1956.

His packed two-hour visit from 11.35 am to 1.40 pm included wide-ranging talks, together with expressions of good will and friendship, exchanges of Christmas presents, and a visit by Mrs Raisa Gorbachev to see a nativity play at a nearby primary school.

There were a succession of

There were a succession of media events and photo opportu-nities to satisfy more than 400 journalists and television person-nel, but only time for a spirited rendering of the Soviet national anthem - and not the British one before the leaders started talking.

It was an occasion more of mood than substance or initia-tives and a further public rela-tions coup for Mrs Thatcher. Her advisers clearly feel that the mutual understanding with Mr Gorbachev has been further deepened, after the success of his first visit to Britain three years ago, and her successful trip to Moscow last March.

One senior participant said afterwards that the key result was that, ahead of the Washington summit, the Soviet team had been left in no doubt of the British and Nato position on further purples agree and testion.

nuclear arms reduction. huciear arms reduction.

He also stressed the "convivial and relaxed mood" and contrasted the "jovial approach" of Mr Gorbachev over lunch with that of some of his sterner-faced

Mrs Thatcher said there had been animated debate involving two strong personalities. An elated Mrs Thatcher claimed to have achieved "an understand-ing" by the Soviet leader of the British emphasis on the need for a conventional arms balance and the elimination of chemical weapons, as the next steps before any further reduction in nuclear weapons in Europe. She also expressed hope that the intermediate-range treaty

The only public conflict came when Mr Gorbachev restated his belief in striving for a "non-nu-clear world." Mrs Thatcher reiterated her view that nuclear weapons could not be disin-vented and that their abandon-ment would enhance the risk of conventional or chemical war.

would quickly be followed by the agreement on strategic weap-

"I want a war-free Europe, not a nuclear-free Europe," she said later on television. Mrs Thatcher emphasised that the British deterrent was "a last resort, and irreducible minimum." The Soviet-US negotiations had to go 'a lot, enormously further than the proposed 50 per

cent cut in strategic nuclear

The British side was particu-larly pleased with Mr Gorbach-ev's reference to the UK's role in contributing to the agreement leading up to today's treaty. Mrs Thatcher said she hoped that Mr Gorbachev would soon pay a lon-ger visit to Britain, although not

Mrs Thatcher also repeated her

research but any deployment would have to be negotiated. Mrs Thatcher claimed that the Soviet leader had been sympathetic to her viewpoint and said he was silling to take next in further

willing to take part in further

Mrs Thatcher also talked

enthusiastically of the nature of the talks with Mr Gorbachev.

The two hours, she said, had gone all too fast, with only 75 minutes of bilateral discussions and time taken up by transla-

She repeatedly underlined her

admiration for Mr Gorbachev's progress with perestroika and with glasnost — changing Soviet society — which made him a dif-

ferent Soviet leader from his pre-

necessarily next year.

At a later press conference Mrs.

Thatcher said that the Anglo-Soviet trade memorandum signed Continued on Page 26



Soviet leader Mikhail Gorbackey with a smiling Mrs Margaret Thatcher

EC agrees reform package for air transport industry

BY TIM DICKSON IN BRUSSELS

The long-awaited deal, which will come into effect on January 1; was approved by transport ministers of the 12 member states without any serious last-minute hitch and without any discussion of Gibraltar, the airport whose disputed status caused a dramatic breakdown in EC negotiations on airline liberalisation earlier this year.

The last hurdle was effectively cleared last week when Britain and Spain found a formula for settling their differences over the disputed British territory.

But the sustained applause which broke out in the EC council chamber yesterday afternoon reflected widespread relief that

LOWER FARES, more routes, and new opportunities for air climton Davis and Mr Peter Suthlines were among advantages claimed for the European Community's package of air transport reforms which was finally agreed in Brussels yesterday.

A government will only be able to intervene if the market share of its national airline on a particular route falls below 45 sioners of the EC, stressed that per cent in the first two years of the deal was a crucial "first step" the deal, or 40 per cent in the to complete by 1992.

With the details of the package identical to those blocked by Spain in June, the only major issue to be decided yesterday was timing. Mr Paul Channon, the UK's Transport Minister, said consumers should benefit from lower fares by next summer.

The advantages to airline travelers will largely depend on the extent to which the airline industry responds to the deal. Therefore, air carriers will auto-matically win approval for dis-count fares within certain bands without the risk of their proposals being blocked by national governments.

It was agreed that the 40 per cent rule would come into effect on October 1; 1989.

Finally, there are provisions for encouraging greater market access so that airlines can start access so that airlines can start new services on the busiest routes, step up flights between "hubs" such as Heathrow and designated regional airports, and set down passengers in an inter-mediate country of the Commu-nity before carrying on to a finel nity before carrying on to a final

Two uncertainties remained last night. One was if and when Gibraltar would become part of the deal (last week's Anglo-Spanish compromise has to be changes first proposed 2% years ago can finally be implemented.

The accord also outlaws the approved by Gibraltar). The most flagrantly anti-competitive other was whether the Commission will proceed with its sepaments between member states so that airlines will be able to put industry will be transformed on some new flights unimpeded.

Optimism masks deep divisions ahead of US summit

By Robert Mauthner, Diplomatic Correspondent, in Washington

PRESIDENT Ronald Reagan and Soviet leader Mr Mik-hail Gorbachev will begin their summit meeting here today in an optimistic mood.

This was in spite of the fundamental differences

which continued to divide them, the chief spokesmen from both sides said yester-day shortly before Mr Gor-bachev landed in Washing-

Mrs Thatcher also repeated her long-held view that greater mutual confidence could be created between the US and the Soviet Union if they both agreed to retain the Anti-Ballistic Missile Treaty for at least seven years. This, she believed, would reduce uncertainty and mistrust in relation to the so-called Star Wars research programmes carried out by both countries, including the US's Strategic Defence initiative.

She said this would allow research but any deployment The two leaders hope to make progress, in particu-lar, towards a reduction of 50 per cent in the superpow-ers' strategic nuclear arsenals, but are not expected to set a deadline for an agreement. Mr Marlin Fitz-water, the White House water, the White House spokesman, stressed that it was not necessary for a Strategic Arms Reduction. Talks (Start) agreement to be ready for signature at the next scheduled summit between Mr Reagan and Mr. Couleabor of the token of the stress of the stre Gorbachev, due to take place in Moscow in the spring of 1988. Such a summit could be held even in the absence of

held even in the absence of agreements, both he and Mr Gennadi Gerasimov, the Soviet Foreign Ministry spokesman, said at a joint briefing.

Mr Fitzwater said that Mrs Margaret Thatcher, the British Prime Minister, had given Mr Reagan "a full description" of her short meeting in London with Mr Gorbachev during a 15-minute telephone conversation ute telephone conversation with the US President yes-terday morning. Mrs Thatcher said that the Soviet General Secretary

Soviet General Secretary had indicated that he was optimistic about his forth-coming meeting with Mr Beagas.

The White House spokes-man studiously declined to support Mr Gerasimov's implied suggestion that the summit was another step towards complete nuclear disarnament. Mr Fitzwater emphasized that the verifi-cation regime for a Start agreement was far more complex than the system actions for the intermediate-Range Nuclear Forces (INF) agreement, due to be signed by Mr Reagan and Mr Gorbachev today.

Neither side was giving much away on the biggest problems due to be discussed by the two leaders, President Reagan's Strategic Defence Initiative (SDI), known as Star Wars, and the US interpretation of the 1972 Anti-Ballistic Missile Treaty (ABM).

France moves to expel 20 Iranian exiles

THE FRENCH Government undermined public order", decided yesterday to expel about — The Mujahedin's London office decided yesterday to expel about 20 Iranian opponents of the Khomeini regime living in exile in France after a series of police raids against members of the People's Mujahedin opposition movement in the Paris suburbs. movement in the Paris suburbs.

The move was immediately linked to recent efforts by Paris and Tehran to normalise relations between the two countries. It follows the release of two French hostages held in Lebanon and the exchange of diplomats between France and Iran.

The Covernment of decision is

The Government's decision is bound to fuel suspicions that the release of the hostages, Mr Jean-Louis Normandin and Mr Roger Auque, was the result of a deal between the two countries.

However, Mr Robert Pendraud, the French Security Minister, denied that there was any con-nection between the police raids and the negotiations between France and Iran.

The authorities repeated their denial that a ransom had been paid or that arms had been supplied to Iran to secure the release

The police did not disclose the precise number of Iranians involved in the raids. However, officials said about 20 were involved and an Interior
Ministry statement accused the
Iranians of taking part in "militant actions which seriously

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She said afte
accepted Mr Ch
to the contrary.

claimed that 30 people had been arrested, and commented: "It is more than obvious there has been a deal".

Mr Massoud Rajavi, the organi-sation's leader, now based in lraq, was reported to have sent a protest message to President

Francois Mitterrand.

The series of raids was the second official crackdown on the Mujahedin since Mr Jacques Chirac's conservative Govern-ment came to power in March

After the previous operation in June 1986, Mr Rajavi left France for Iraq, and Iran indicated that the French authorities had fulfilled one of the conditions for normalising relations between the two countries.

The latest police operation appears to have been larger than last year's.
There was no comment on the

move from the British Govern-ment, which was infuriated last week by suggestions that the French Government had struck a hostage deal.

The issue was raised with Mr
Chirac by Mrs Margaret
Thatcher, the UK Prime Minis-

ter, during the Copenhagen EC summit at the weekend. She said afterwards that she accepted Mr Chirac's assurances

Texaco makes new offer to Pennzoil

TEXACO, the US oil company which has been crippled by a \$10.3bn damage judgment awarded to Pennzoil, has offered an immediate \$1bn if its smaller trival agrees to a ceiling of \$3.5bn rival agrees to a ceiling of \$3.5bn on the judgment.

on the judgment.

The offer, which was apparently made by Texaco's management after a day of internal meetings at its surburban New York headquarters on Sunday, marks a concession by the big oil group, which has taken refuge from the judgment in bankruptcy. Texaco was found guilty by the Texas courts of interfering with Pennzoll's contract to buy a part of Getty Oil in 1984. Texaco, which has threatened to appeal the case to the Supreme Court, last week offered

a similar, but less generous, base and cap deal. The bankruptcy court heard last week that Texaco will hand over a non-refundable \$500m provided Pennzoil is satisfied with a total of \$3bn, even if the court upholds the judgment.

Texaco's new stance adds to market hopes that the rivals may be creeping towards a settlemen under pressure from Texaco's major stockholder, Mr Carl Icahn, the aggressive corporate

The market fears that the two companies could be entwined in litigation for years if Texaco files with the Supreme Court next month without a settlement. But there are new hopes - shared by Texaco - that Mr Icahn, who last month sank \$348m into Texaco stock for his 12.3 per cent voting block, will put pressure on Penn-zoil to lower its price for a settlement. Pennzoll has said it will accept a base and cap deal, but at \$1.5bn and \$5bn.

Texaco rose \$1% at \$32% in early trading yesterday, while Pennzoll shed \$% to \$74%. The new offer brings Texaco

basically in line with its main creditors excluding Pennzoli, but many big stockholders remain unhappy with the arrangement.



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ROMANIA **PULLS DOWN** SHUTTERS ON CRITICAL WORLD

President Nicolae Ceausescu, who seems rejuctant to loosen hold on decision-making, Page 3

linchpins of democracy ... Management: A look at small business in FT law report: ITC documents are unprotected . Technology: How Mitsubishi is sailing a steadier course Editorial comment: Expectations at the

summit; banking mergers in Spain 24 Summitry: Danger of leaving superpowers to their own devices

Cypras: US proposal for special envoy

South Africa: Black "homelands" still

Bonn plans compromise on EC finance

begun work on possible compro-mise solutions for the European Community financial reform package which ended in dead-lock at last week's summit meeting in Copenhagen, officials in Bonn said yesterday. The ideas could be presented

The ideas could be presented to next week's meeting of the EC's foreign ministers if the current Danish chairman, Mr Uffe Ellemann-Jensen, agrees.

It is not yet clear, however, whether the German plans will be based on the Danish compromise paper presented in Copenhagen, which Chancelor Helmut Kohl of Weet Germany rejected hagen, which Chancelior Helmut Kohl of West Germany rejected as "totally unacceptable

on his return from Bonn, Mr
Hans-Dietrich Genscher, the
West German Foreign Minister,
ordered the start of work on
ways to break the deadlock; a
draft proposal will be ready by

be viewed with considerable sus-plcion at this stage, because Bonn's position in the negotia-tions, on budget discipline and agricultural reform has been one of the least compromising. The UK, Denmark and the Nether-UK, Denmark and the Netherlands are all keen to continue negotiations on the present Danish plan, which also retains much of the original plan from the European Commission.

At the heart of the current budget dispute lies the question of how to control farm spending with the Commission, the UK and the Netherlands calling for

and the Netherlands calling for automatic price cuts to counter

WEST GERMANY has already tonight, a foreign ministry a challenge in the European begun work on possible comprosible comprositions for the European The German plans are likely to for failing to produce a 1988 bud-

Yesterday was the deadline by which the Council had to produce a budget, set by both institutions in order to see if Copenhages. hagen would produce a hagen would produce a satisfactory solution.

Although the EC Budget Ministers are meeting on Wednesday, they are not expected to agree on any more than emergency financing arrangements for 1988, in the absence of a proper budget.

The Parliament then seems likely to take the case to the Court in Luxembourg - and the European Commission said yesterday it would be closely co-or-dinating its position with the MEPs.

tility to reform of European Fronza Stating Production president, Mr Constant automatic price cuts were stantin Heeremann called for the agenda before the emergency Brussels summit in February.

A statement said Mr Heeremann governance with the statement said Mr Heeremann urged the Bonn governance with the statement said Mr Heeremann urged the Bonn governance with the statement said Mr Heeremann urged the Bonn governance with the statement said Mr Heeremann urged the Bonn governance with the statement said Mr Heeremann urged the Bonn governance with the statement said Mr Heeremann said Mr Heeremann

Reuter reports: French farm-new summit in February was a ers yesterday restated their hos-fairly good solution," a senior tility to reform of European FNSEA source said.

The French farmers' union
FNSEA said; "The FNSEA ment to ensure that, by the time restates its outright opposition to any reform of the Common Agricultural Policy until a farm budget with new and safe resources has been secured."

A statement said Mr Heere mann urged the Bonn government to ensure that, by the time EC leaders met again in February, the introduction of automatic price cuts was no longer under discussion.

Mr Heeremann said cuts in production would require addi-

Union spokesmen said most Union spokesmen said most production would require additional financial contributions and its partners in the Community summit in Copenhagen as a failure. They said several positive factors came out of Copenhagen, pointing to signs of British flexibility. "It certainly was not a failure. Postponing a decision until the

Deadline nears for agreement on steel output quotas

A ministerial message sels is to attempt to decide on a commission proposal to phase out most steel quotas in steps by the middle of next year. Many big integrated producers feel the proposal is too tough and would force down prices.

Britain, supported by Denmark and the Netherlands, is pushing for a faster return to an unprotected steel market than envisaged by Brussels. West Germany,

ters today.

A ministerial meeting in Brussels is to attempt to decide on a to make a final attempt at a

for a faster return to an unpro-lif member states cannot agree on the package by the end of the year, the entire quota system, helping to support prices for 60 per cent of EC steel output, will

sion estimates.

Brussels is proposing that quoescreeks capacity during the recession. Brussels maintains that demand for steel is now buoyant demand for steel is now buoyant enough for the industry to compete in a free market, an argument supported by the commission's latest output figures published yesterday.

These show that EC monthly

These show that EC monthly crude steel production reached 11.4m tonnes in October, 7.7 per quota system on that date,

day.

Steel quotas were put in place sion estimates.

Brussels is proposing that quo-

AN ULTIMATUM over controversial European Commission plans to dismantle EC steel output controls faces the European Community's 12 industry ministers today

| As proposed. Meanwhile, Mr | Cent more than the previous month and 2 per cent above ward with outline voluntary clocation of the session planning to occupie 1986. New orders in July sures by December 15 for three quarters of the final agreement today are slim day.

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Engineers struggle to repair TV satellite

By Raymond Snoddy

WEST GERMAN engineers are still trying to correct a fault with TV-Sat, Europe's first direct broadcasting satellite, more than two weeks after its launch.

may be able to transmit only two television channels rather than four.

Tests are being run this week to try to find out the best way of dealing with the embarrassing fault on the DMIbn (£336m) vehicle. Mr Rolf Arnim, managing director of Eurosatellite, the Franco-German consortium which built TV-Sat and the French DBS satellite TDF-1 due to be launched next spring, said yesterday:

"We want to find out very precise information on how to tackie the problem."

At one stage there were fears that TV-Sat could be a write-off when difficulties

write-off when difficulties were experienced communi-cating with it.

However, Mr Arnim said that communications had

broadcast.
The problems with TV-Sat could lead to delays with the launch of TDF-1. Euro-

Urban cleared

weeks after its launch.
One of TV-Sat's two 65ftlong solar panels which
power the satellite failed to
open. Unless the fault can
be rectified the satellite
may be able to transmit

that communications had been restored and the satellite was under control from a West German ground station. It was too early, he added, to know how many television channels the satellite would be able to

the launch of TDF-1. Euro-satellite will now carry out an investigation of the French satellite to try to avoid any chance of the same fault happening a sec-end time.

The whole episode under-lines how risky a business satellites can be even when the launch rocket works perfectly.

perfectly.
Astra, a 16-channel Luxembourg-based satellite is due to be launched next autumn, and British Satellite Broadcasting plans to launch the UK's direct broadcasting satellite in autumn 1989.

A Polish court has rejected a stander suit against the government spokesman, Mr Jerzy Urban, by four intellectuals who accused him of defaming them by linking them to a US diplomataccused of spring, AP

Mischievous MPs tamper with Italian budget plans

THE ITALIAN Government was looking distinctly uneasy yesterday at the prospect of piloting its 1988 budget proposals through the Camera, the lower house of parliament, after suffering a number of defeats in the Senate.

The Finance Bill which eventually cleared the Senate late on Sunday evening was in a somewhat more elongated form — 38 articles against the government's original 20 — and also amended in a number of important respects.

It was impossible to find out from any responsible ministry vesterday whether the final vertical specialist. Minister of Labour.

This was accurately interpreted as an anti-socialist move which raay be the harbinger of many more defeats to come when the Camera comes to vote on the Finance Bill later in the month. If the government is unable to count on its majority because of excursions by mischenchers, then its prospects of surviving until the spring look bleak.

The only cruma of comfort available to the government is the fact that some amendments carried against its will erred on THE ITALIAN Government was Mr Rino Formica, the socialist

from any responsible ministry yesterday whether the final ver-sion was in line with the govern-

ted at the final stage of the legis-lative process. The most bitter and controversial defeat came on

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It was impossible to find out from any responsible ministry yesterday whether the final version was in line with the government's deficit target of always of political sense. One line impressions seemed to be that that this had suffered rather less damage than the government's pride and authority.

On a number of occasions the five-party coalition's majority fell victim to the temptations of the secret ballot which is permitted at the final stage of the legislative process. The most bitter and controversial defeat came on Saturday evening when an esti-

Saturday evening when an estimated 35 Christian Democrative franchi iteratori (sharpshooters) voted under the cloak of anonymity with the opposition to block a special L2,000bn unemployment fund greatly prized by

Kohl urges N-arms link with conventional forces

German Chancellor, yesterday on negotiating cuts in urged the North Atlantic Treaty Organisation to develop a strategy linking future East-West talks on reducing short-range nuclear westons to preduting a processing the added that Western scartics. MR HELMUT KOHL, the West nuclear weapons to negotiations on cutting conventional forces in Europe, **Eeuter reports from**

Mr Kohl said that as Nato had acknowledged the need for cuts in intercontinental nuclear mis-

Mr Kohl said Bonn's insistence

He added that Western sceptics who doubted a ban on chemical weapons could be enforced should examine the ban on bio-logical weapons, which he said

was a success.

Mr Manfred Woerner, the
Defence Minister, said in a radio
interview that the significance of

in intercontinental nuclear missiles and a ban on chemical weapons, it should now adopt a "unified concept" following the superpower agreement on intermediate-range weapons (INF).

Talks on short-range nuclear systems must take place in conjunction with the establishment of a conventional balance," Mr Kohl told the executive of his a matter of a unified concept, to avoid an isolated look at individual categories of weapons."

President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, are scheduled to sign the INF treaty in Washing ton today.

Mr Manfred Woerner, the Defence Minister, said in a radio interview that the significance of Soviet superiority in conventional forces would increase after withdrawal of INF missiles. He said agreements on cuts in the Soviet forces should come high on Nato's agenda in coming arms talks.

Mr Friedhelm Ost, the chief government spokesman, issued a statement saying Bonn had "very concrete expectations" on the Washington summit. He said West Germany expected movement toward a worldwide ban on chemical weapons and agreements. armament.

E German churchmen cleared

A CLASH between church and state in East Germany has been averted by the decision to drop criminal charges against four members of a church-sponsored

members of a charch-sponsored environmental group.

The four men were detained on November 25 during a midnight raid on the rectory of East Berlin's Zion Church, where East Germany's only environmental library is located. An independent environment bulletin is produced there under church australia. duced there under church aus-

pices.
The East German news agency said the men were caught "in the act of producing subversive publications." Several mimeograph machines were confiscated by the public prosecutor's office.

The arrests caused mounting tension between the normally submissive protestant church and the authorities. But church protests led to the release of the There are still more than 400 political prisoners in the Soviet Union, although the figure has fallen this year, according to the Hel-siaki Watch group in the US, Reuter reports. It said that at least 430 people tried for human rights, pub-lishing, religious or nationalist activities were known to be in Soviet labour camps, prisons, exile or psy-chiatric hospitals.

men pending the outcome of an investigation.

The state prosecutor this week informed a lawyer that charges were to be dropped. He said that the authorities wrongly believed that an underground publication called *Grentfall* (Border Inci-dent) was published in the

One of the released environ-mentalists, Mr Wolfgang Rued-denklau, thanked the church for its "courage" at a special service in Zion Church attended by nearly 1,000 East Berliners. He said the church had helped every East German "who wants to walk anbowed." The conciliatory action by the

authorities is seen as a response to charges that East Germany has remained immune to Soviet-

Another sign of a possible moderation of East German orthodoxy is the first showing in East Berlin last week of a 19-year-old East German film. The Russians Are Coming It was barred from release in 1968 because the film's here was an because the film's hero was an ordinary young German during the Second World War who fought against the Russians.

French far left and right fly into heavy weather

THE TWO parties at the opposite extremes of the French political spectrum are experiencing increasing, and at times unexpected, difficulties in the run-up to the presidential election next

spring.
Mr Jean Marie Le Pen, controversial head of the extreme right National Front, had a planned tour of the French Caribbean National Front, had a planned tour of the French Caribbean rudely interrupted when 3,000 demonstrators prevented his airliner landing on Sunday at Lamentin sirport in Martinique.

The jumbo carrying more than 400 regular passengers then flew to Point a Pitre in Guadeloupe where more opponents of Mr Le Pen were staging a protest at the airport. Although the aircraft was able to land, Mr Le Pen refused to disembark, insisting on his rights as a French citizen to go to Martinique. The aircraft then flew him back to Paris harely a day after he had left.

The National Front leader had thosen to ignore strong warnings by local left-wing political groups and labour movements on the islands that they would seek to block his visit. Even before he left Paris, staff had threatened to go on strike at the Martinique hotel in which he was due to stay.

Mr Le Pen, whose cattroless.

Martinique hotel in which ne was due to stay.

Mr Le Pen, whose outspoken racial views provoked the latest protests, yesterday accused the conservative government and the French security forces of

voting rather than vote in favour of the centrist candidate.

Despite these recent blows, public opinion polls forecast that Mr Le Pen will win about 10 per cent of the national vote in the first round of the presidential election next May. This is more than can be said of the communists, whose 26th congress ended on Sunday with the party reelecting Mr Georges Marchais as secretary general. secretary general The communist leadership sought to mobilise its troops at the congress around the party's presidential candidate, Mr Andre Laiolais Bur community and the congress around the party's presidential candidate, Mr Andre Laiolais Bur community and the conference of the

presidential candidate, Mr Andre Lajoinie. But communist prospects look increasingly glum especially since the party is being challenged directly by its dissident breakaway reformist

Indeed, the independent reformist candidate, Mr Pierre Juquin, who was the official Communist Party spokesman before he left the party, is expected to perform as well if not better than Mr I abining the present

sction to allow him to land at Martinique. He said it was scandalous that a candidate in the presidential election had been prevented from visiting a French territory.

The affair comes only a week after Mr Le Pen suffered a political setback in a local election in Marseilles. The majority of National Front voters there failed to follow his instructions to abstain in the second round of voting rather than vote in favour

legislature elections Moreover, the National Front has virtually overtaken the communists by making serious inroads in recent years into their

specia.

EUROPEAN NEWS

Yugoslavia warns of economic collapse

YUGOSLAVIA, which carrently devotes between 7 per cent and 10 per cent of its gross national product to debt repayment and ser-vicing, faces economic "col-lapse" unless foreign creditors grant a financial reprieve, a senior official said yesterday, AP reports

Deputy Premier Janez Zemljaric made the statement as he addressed a sea-sion of the polithero of the Communist Party's central committee, which discussed the worsening economic and political situation in the

political situation in the country.

Mr Zemljaric said Yugos-lavia has spent more than \$14.3bn in the past four years just for servicing and repaying its \$15bn foreign debt without considerably reducing its principal.

"With gross national product growing at between an annual 1 per cent and 3 per cent, it is clear that the con-

thman i per cent and a per cent, it is clear that the con-tinuation of debt repay-ment at such a pure would lead us to a total collagee in the immediate fature," he

Negotiations on a Yugoslav request for rescheduling of its debt and reducing
of its servicing have started
this month with the International Monetary Fund and
some of the country's Western creditors. Yugoslavia
has proposed that it set
aside a maximum of 25 percent of its foreign currency
income for debt servicing
and repayment. It currently
devotes about 50 per cent
of earnings to that purpose,
Mr Zemijaric said that the
outcome of the present Negotiations on a Yugo-lay request for reschedul-

l force

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outcome of the present negotiations with the credi-tors are of "exceptional importance for the revival of the economy."

In addition to its debt burden, Yugoslavia is sad-dled with an annual infla-tion rate of 170 per cent, a 17 per cent unemployment

rate and an alarming rise of social tensions.

The economic and politi-cal crisis has worsened this year, and more than 200,000 workers have staged 1,300 strikes in protest at low pay and declining living stan-

"Social ills have grown so drastically that they have become one of the main political problems," said Mr political problems," said Mr. Dusan Ckreble, a polithuro member, in his introductory speech, He described the situation in the country, as "full of tension" and high-lighted "the disastistaction

of the working people."

He urged the party to take decisive measures to find a cure. There have recently been calls by sev-eral prominent intellectuals and non-conformists for rapid changes in the country's economic and political

A programme presented at an official annual meetan official annual meeting of Yugoslav economists last week called for the Communist Party to divest itself of its role as "the final arbiter of everything" and to promote the democratic transformation of the country into a "pluralist socialist democracy."

Czechoslovak ban on rights march

Czechoslovak authorities have barned a demonstra-tion planned by the Charter 77 human rights group and ordered members of the group to a hearing, Renter reports quoting emigre sources. The group had planned to hold the demon-stration on December 10 in Prague to mark Interna-tional Human Rights Day,

Judy Dempsey reports that the once respectable face of socialism has become increasingly isolationist

Romania pulls down the shutters on a critical world

ROMANIA'S present economic Andrei, the central committee

Andre is important for the lead-andry Babe, the Finance Minis- and flexible politician well ter, and the threat to withdraw known in international circles.

from the World Bank, illustrate

Mr Andre's main task is to by the West as the respectable face of socialism - is withdrawing lato itself, pulling down the

ing into itself, pulling down the shutters.

This isolationist policy is a beyond the normal system of result not of the rise of Mr Mikhail. Gorbachev, the Soviet leader, but of the policies pursued in recent years by Mr Nicolae Ceausescu, the Romanian President and Communist Party

A recent spate of personnel changes, which seem to go beyond the normal system to go beyond the normal system of rotation, suggests that a few individuals, with Mr Ceausescu's blessing, are consolidating their positions.

These include Mr Nicu Ceausescu, the son of the President,

hold on any of the instruments of decision-making. No authority is delegated and power remains in the hands of Mr Ceausescu

and his family.

As a result, Romanian diplomats and officials have little leeway to negotiate or make decisions without referring back to the tight circle around the President

This circle includes Mr Stefan

and political policies are leading secretary responsible for ecotowards a form of self-imposed nomic policy and a former for isolation which is affecting the eign minister, who has survived country's relations not only with so far all the recent political the West but also with Eastern reshuffles. For the moment, Mr Andrei is important for the lead-

Mr Andrei's main task is to this trend. "It is as if a siege mentality is taking root here," one East European diplomat said. At a time when Moscow is encouraging other East Eurofor the outstanding loans. "He seems countries to allow more criticism, Romania - once hailed by the West as the respectable political future might change," more reasonable interest rates for the outstanding loans. "He is useful for the moment. Once the debts have been paid off, his political future might change," an East European diplomat said.

A recent spate of personnel changes, which seem to go beyond the normal system of

Speculation as to the chances of the highly unpopular son succeeding his father is rife. Others, such as Mr Constantin Mitea, recently appointed the central comittee secretary for ideology, has the task of carefully vetting the Soviet press and keeping the Soviet style glasnost (openness) out of the Romanian media.

Mr Ico Stoian the central communication as a whole, His latest crackdown on the demonstrators at Brasov and the Hungarians and the Czechs have also complained of difficulties in reaching agreement on these inter-governmental agreements. The Romanians are simply not interested in the soviet-style glasnost (openness) out of the Romanian media.

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Mr Ico Stoian the central communication of the Romanian media.

Level the demonstrators at Brasov and the demonstrators at Brasov and the demonstrators at Brasov and the Hungarians and the Czechs have also complained of difficulties in reaching agreement on these inter-governmental agreements. The Romanian authorities are simply not interested in the solution of the solution of the solution of the solution of the Romanian media.

Mr Ico Stoian the central communication of the Romanian in the Romanian authorities are simply not interested in the simple simple

BRISTOL



Nicolae Ceausescu: reluctant to loosen his grip

ambitious but self-serving, has the unenviable task of trying to smooth over the many difficul-ties between Romania and the President and Communist Party leader.

Mr Ceausescu is determined to pay off the country's foreign debts by the end of the 1980s. At the same time, he seems more reluctant than ever to loosen his the highly unpopular son successions.

These include Mr Nicu Ceausescu ties between Romania and the West. Meanwhile, Mr Tudor Postelnicu, the newly appointed ment. They down to doubt continue the tradition of it is impossily the demonstrators at Brasov.

These include Mr Nicu Ceausescu ties between Romania and the West. Meanwhile, Mr Tudor Postelnicu, the newly appointed ment of the interior, will no doubt continue the tradition of it is impossily the same time, he seems more reluctant than ever to loosen his

Mr Ion Stoian, the central committee secretary for foreign policy, who is considered bright, aimed at Romania by its Socialist

Even the normally silent Bulgarians recently sharply criticised Romanian pollution which

est complain that the Romanian authorities dragged their feet when it came to signing a regular inter-governmental agreement. They do not want to be tied down to substance or detail. It is impossible to negotiate with them," an East European diplo-

another East European diplomat. Even the normally silent Bul-

Bulgaria. The Yugoslavs have commented bitterly on the bla-tant misuse by the Romanians of the jointly-run Romanian and Yugoslav hydro-electric power station on the River Danube.

was contaminating Ruse, an old port on the Danube in northern

Western countries are experiencing similiar problems. Neutral Sweden is in the depths of a tral Sweden is in the depths of a row with the Romanian authorities over the case of Mr Mihai Stoican, a Romanian citizen who married a Swede several years ago. The Romanian authorities have so far not given him permission to leave the country on the grounds that he possesses that secrets he Stoican is a nor dic languages specialist.

The Norwegian Foreign Minis-lationist policy has been high. try has decided to close its The prophetic words of Professor embassy in Bucharest. It no lon-Silviu Brucan, a veteran member

Mr Gorbachev and some of his allies want to improve the image

of socialism? Part of the problem is a hyper

sensitivity to criticism - after all, during the 1960s and 1970s, Romania was hailed by the West as a model of socialism. It was prospering then and gained international support for opposing the Soviet invasion of Czechoslovakia in 1968.

against the central bank today.

Most of the bank's subsidiaries around the country are expected to be closed by the strike and 2,000 workers are expected to

Those days are over. Intent on proving to the West that it can survive without credits and ignore criticism on its dismal human rights record, Mr Ceausescu is determined, as one East European journalist put it, to

The cost of an increasingly isoembassy in Bucharest. It no longer regards it as worthwhile to operate out of Romania. "Information is impossible to get hold of. No officials talk openly to us," a Western diplomat commented.

Even at the Vienna follow-up meeting of the Conference on Security and Co-operation in Europe the Romanian delegation is said to be blocking progress on drafting a document which focuses on humanitarian issues.

Even the Soviet delegation,

Even the Soviet delegation, defence of human rights. Repression may only result in total isocriticising its allies, is known to lation, this time not only from the exasperated with Romania's antics at Vienna.

But why are the Romanian man leadership responding positively to these remarks seems a authorities pursuing such poll-tively to these remarks seems a cies, particularly at a time when long way off.

bank strike worsens

THE WEEK-LONG dispute at the Banque de France has hardened, with the labour unions calling for a national day of protest against the central bank today.

come to the capital for a demonstration at the bank's headquar-ters in what the unions are calling Banque de France dead

The labour unrest started la week when a majority of the prove a point that Romania can bank's 17,000 employees rejected a pay offer of little more than 2 per cent made by Mr Jacques de Larosiere, the Banque de France governor.

The dispute has started to dis-trupt the central bank's operations and the day-to-day activities of the French banking system. Certain branches, includ-ing the main banknote printing facility near Clermont-Ferrand, have been paralysed by picket-ing or workers occupying offices.

The main disruptions have affected central cheque clearing operations and automatic cash dispensing machines which are running out of notes.

Unrest intensified yesterday after the failure last Friday of a new round of negotiations between the governor and the five unions which called the strike. Apart from wage claims, the unions are also campaigning for job security commitments.

HEATHROW

Electronics resistance in Poland

Mr Jerzy Bilip, the new Industry Minister, is also a supporter who argues that enterprise funds must be integrated if the under-capitalised industry is to

tube plant, and WZT, a televi-sion manufacturer. The fourth Mera Zap, is from Ostrow Wiel kopolski

Ar Bilin has succeeded in obtaining from the Finance Ministry, which initially resisted the venture, cuts in profit taxes for the Elpol companies, as well as the right to retain a greater share of export earn-

The dissenters argue that Elpol, which will programme sales and direct imports and exports, is a threat to company independence which is fundamental to Poland's economic

DEMOCRATICALLY elected workers' management councils at four important Polish elec-tronics plants have refused to join Elpol, a venture integrating the country's electronics industry which formally came into being on December 1.

Elpol has the backing of Mr Zbig-niew Szalajda, the Deputy Pre-mier in charge of industrial policy who has been given a

develop.

Three of the plants are from Warsaw. These are Cemi, the largest electronics components producer, Polkolor a television

Elwrov, the big Wroclaw-based computer concern, has also stayed out, and all five risk missing a share of the funds promised to the more than 90 companies which joined Elpol. Mr Dariusz Lochocki has been appointed companies of appointed general manager of the venture.

Prominent economists meeting at a recent congress in Krakow have also attacked Elpol as a throw-back to traditional methods which were aimed at building a centrally- managed monopoly strong enough to force development funds from the budget.

US proposal for Cyprus special envoy rejected

what it is seeking.

A US State Department spokes and Turkey, has been caught man, echoing the position of uncomfortably between the two both Athens and Ankara, noted since Ankara invaded and occuin a comment on the proposal pied the northern third of that bilateral Greek-Turkish dif-Cyprus in 1974 in response to a ferences were being addressed by Greek military coup against the the prime ministers of the two island's republic's Government.

The exchange was inspired by entangled in a web of disputes, the March crisis in which Greece over sea and air space rights in and Turkey just stopped short of the Aegean.

GREECE, Turkey and Cyprus an armed clash over oil exploration rights in the Aegean Sea.

In the past week, Athens and Ankars have hinted that, as a result of this dialogue, a meeting between Mr. Andreas Papandreou, the Greek Prime Minister, and his Turkish counterpart, Mr. Turgut Ozal, may be in the office Appropriations Committee, was also shot down by the USState Department.

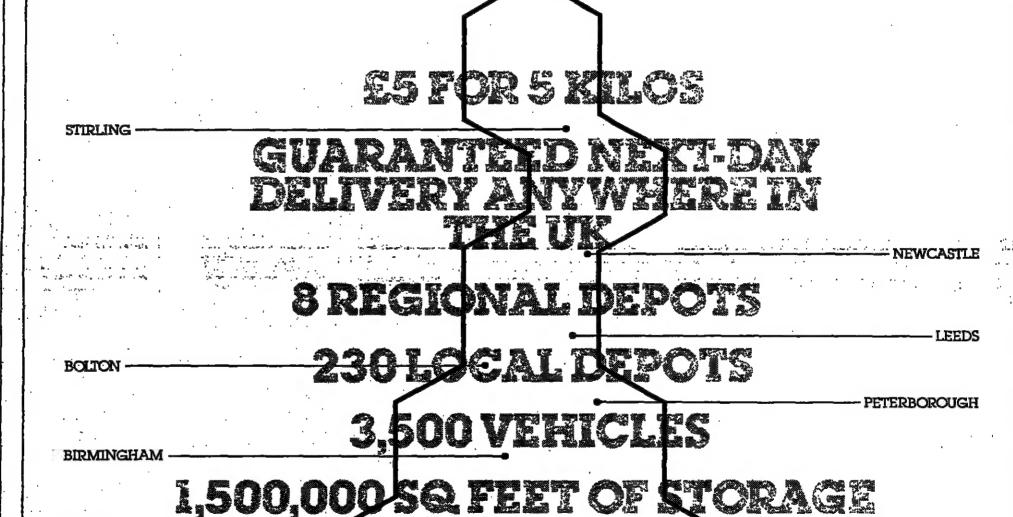
In negotiations which started last month Greece linked the appointing a special envoy renewal of the agreement which expires next December on the Operation of the four American tigned a special envoy the Coperation of the four American tigned that of the Greek and Cypriotics.

expires next December on the United Nations efforts for a setoperation of the four American tlement. The Greek and Cypriot
military bases here to the quesgovernments, on the other hand,
tion of US policy on Cyprus and
relterated their view that the
Cyprus issue was not a bilateral
Athens has not spelled out, in Greek-Turkish problem but an
public at least, the exact nature international one involving the
of its demands, but its rejection occupation of the territory of a
of the Senate proposal gave an UN member state by another,
indication of the parameters of
what it is seeking.

The US, a Nato ally and major
what it is seeking.

A US State Department spokes and Turkey, has been caught

countries in an exchange of mes-sages. In the altermath of the Cyprus sages. Crisis Greece and Turkey became



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India warns US against demand for N-inspection

US that relations between them would deteriorate if the US went ahead with an attempt to make its supplies of aid and high technology conditional on India opening nuclear installations to nternational inspection.

This follows an attempt in the US Senate appropriations committee last week to make India subject to the same conditions on nuclear proliferation as Pakistan, whose six-year \$4.06bn aid package is before the Senata.

The move has upset improvements in US relations with India

following a meeting between Mr Rajiv Gandhi, Indian Prime Min-

Rajiv Gandhi, Indian Prime Min-ister, and US President Ronald Reagan in Washington seven weeks ago.

Mr Gandhi has protested in a letter to Mr Reagan, who has publicly expressed his concern about the Senate move. In New Delhi, diplomats are making it clear that India will not open its nuclear installations, and that it can easily forego the small \$35m of aid it receives annually from US, and could even abandon its

NDIA YESTERDAY warned the orders for US high technology

equipment.
India has been importing an increasing amount of electronics goods from the US and is buying its first US-made super-computer. It is also negotiating a longer-term understanding to buy its first US-made defence equipment for years, including engines and technology for a light combat aircraft, and other electronics items. This would be put at risk if India feels there would be no guarantee of regular

It is thought that the US prob ably wants the Senate to approve the aid to Pakistan while Mi Mikhail Gorbachev, the Soviet leader, is in Washington to show that the US is determined to back Pakistan while Soviet

troops remain in Afghanistan.

The problem for India, however, is that Pakistan could then escape the aid ban by agreeing to sign non-proliferation and inspection treaties providing sign non-promeration and inspection treaties providing India does so. But India would refuse, thus putting its own aid and technology supplies at risk.

Strike hits Bangladesh as parliament dissolved

BANGLADESH was paralysed by an anti-government strike yes-terday after President Hossain Mohammad Ershad dissolved monammad Ershad dissolved parliament to foster peace talks with the opposition, who have pledged to force his resignation, Reuter reports from Dhaka.

Only a few cycle rickshaws and government buses with police escorts operated along the Dhaka, with most shops, offices, banks and factories closed from 6am to 6pm. The situation was reported the same in the rest of

were not running because many drivers did not turn up for work. Only few river ferry services

operated.
Police said there was no serious violence during the stoppage, except for some local clashes between rival political groups and the police. Some home-made bombs went off around the capi- non-political "technocrats" tal but no one was reported hurt. run his government.

it was the 12th day of stoppages since November 10 when the 21 since November 10 when the 21 opposition parties launched a national campaign aimed at forcing the resignation of Mr Ershad. The protest strike yesterday came only eight hours after President Ershad dissolved the 330-member parliament following a three-hour Cabinet meeting on three-hour Cabinet meeting on Sunday night. It is believed that Mr Ershad did not discuss the subject with the Cabinet and that most ministers heard of the decision on a late-night state

reported the same in the rest of the country.

Railway officials said trains said the President might also replace his 23-member Cabinet rivers did not turn up for work. With an 18-member council of advisers. They could not say perated. Thursday is thought likely. Speculation was rife that Mr Ershad would retain only two or three of his existing ministers in the new council and appoint



Ongpin: unsung hero of economy

MR JAIME ONGPIN, former criticism at home from many Philippine Finance Secretary, senators in the new Senate who who lost his Cabinet position said he had accepted terms Philippine Finance Secretary, who lost his Cabinet position after an acrimonious battle with President Corszon Aquino's connt Corsson Aquino's controversial executive secretary in September, was found dead yes-

months ago.

Mr Ongoin's 19 months in the finance hot seat was dominated by negotiations to reschedule the country's \$28bn of debt. The deal finally signed last June with the 12-member creditor committee of banks came under strong

worse than, for example, Argen-tina. After a study, however, the difference turned out to be nomi-

September, was found dead yesterday.

Mr Ongpin, 48, was one of the architects of the country's economic programme and the it under the belt and spend time \$18.2bn debt reacheduling now being concluded. He was also an unusung hero of the campaign that finally costed former President Ferdinand Marcos 21 months aso.

Mr Ongpin's position was that, athough it might not have been the best deal, it was better to get the dealing with other, equally pressing needs such as rampoant official corruption. Talks for a better deal with the banks, he had told bankers before he resigned could be reopened after resigned, could be reopened after the larger debtor nations in Latin America had squeezed bet-ter terms from their creditors. Since his resignation, Mr Ong-pin had retreated from the pub-lic eye, with friends repeating his disappointment with his treatment. He had been consider-ing returning to business—he was formerly president of Ben-

in which a man's past contributions to the country are quickly
forgotten in the heat of the latest
factional fight.

In 1984, at a time when it was
not only unfashionable but dangerous to oppose President Marcos, Mr Ongpin galvanised middle class and business opposition
to the dictator. Although he was
not as close to Mrs Aquino after
her husband was assassinated in
1983 as Mr Arroyo, his contribution to the downfall of President
Marcos was at least equivalent. Marcos was at least equivalent.

He was a member of a "convener" group of three apolitical
Filipinos, chosen by opposition groups, who as early as 1984 developed a strategy to defeat Mr Marcos if he called an election. When in November 1985 Mr Mar-

quet Mining Corp – or going into consultancy.

His death is an indictment of an ugly streak in Philippine society, smply reflected in the press, in which a man's past contributions to the country are quickly forgotten in the heat of the latest. nomic recovery plan that was acceptable to foreign and local In the last months before his

In the last months before his resignation he was an increasingly lonely voice in an otherwise publicity conscious but not very well grounded Cabinet. He was a forceful advocate of privatisation, free enterprise and respect for national contractual obligations like the national debt while others in the Cabinet wanted a more forceful approach to the debt, less privatisation and to the debt, less privatisation and a more "nationalist" attitude wards foreign investment which was a vague concept meaning less of it.

Iran fires Silkworm at Kuwait

IRAN YESTERDAY appeared to

inan IESTERDAT appeared to signal its displeasure at Kuwait's decision to lend the US Navy a barge for use as a floating base in the northern Gulf by firing a Silkworm missile into Kuwaiti territorial waters.

A statement from the Kuwaiti Defence Ministry said the Chinese-made missile landed in the sea off the emirate's southern

nese-made missile landed in the sea off the emirate's southern coast yestenday morning without causing any damage. However, unofficial reports from elsewhere in the Gulf said the missile hit an unoccupied barge about one mile away from Kuwait's Sea Island offshore oil terminal. Government officials believe Iran has fired a total of nine

Silkworms at Kuwait this year. This was the first such incident since Iran seriously damaged the Sea Island terminal with a missile on October 22.

alle on October 22.

It seems likely that the missile was intended as a warning shot against Kuwait's increasingly close co-operation with the American naval force patrolling the Gulf. Last week Kuwait said it was lending a barge to the US Navy for use as a floating observation post in international waters in the northern Gulf. US officials have said the barge would be stationed in Kuwaiti territorial waters, which Kuwaiti ministers dealed.

UK assailed over HK poll

MR MARTIN LEE, a member of

Black 'homelands' still linchpins of apartheid

SOUTH AFRICA'S 10 black kwaldebele against leaders optoc-called "homelands" have ing for "independence", personal rivalries which almost led to war sion last week to put another between the two Xhosa-language homelands of the Clakei and a system and the recent coup in Transkei earlier this year and the recent coup in Transkei earlier this year and the Transkei amid revelations of rumblings about widespread corruption have not improved things.

The African National Congress when Chief George Matanzima, and other demonstic and foreign.

Transkel's Prime Minister, was into homelands. Strong black

The Arrican National Congress and other domestic and foreign critics call them disparagingly "bantustans" (Pretoria's original term for them, derived from the paternalistic term "bantu", meaning people, which Pretoria used in its official terminology) and revile homeland leaders as "stooges of Pretoria."

It is ANC policy to abolish the four "independent" and six

self-governing homelands in which 12.7m black people now live and to recreate a unitary South African state, Last week it was decided that 500,000 people at Botshabelo, described by civil rights workers as the country's main dumping ground for blacks, will fall under the rule of the tiny, barren homeland of QwaQwa, on the border of (eacth).

homeland politicians, including the Prime Minister and members

The latter came into the open when Chief George Matanzima, Transkei's Prime Minister, was ousted in a bloodless coup engineered by the Rhodesian-trained Transkei Defence Force. The coup came after a South Africans than ever in "white" South Africans can-backed official inquiry revealed evidence of large-scale corruption and misappropriation of state funds implicating senior homeland politicians, including It has even restored citizenship to thousands of nominal home-

the Frime Minister and members to thousands of nominal home-of his family.

The root of the homelands' in South Africa, although its image problem lies in the fact that they were, and remain, the dual citizenship with "Indepen-lynchpins of the "grand apart-heid" strategy mapped out in the heid" strategy mapped out in the 1960s by Dr Hendrik Verwoerd.

An estimated am black South homeland citizens, has run into

as the country's main dumping ground for blacks, will fall under the rule of the tiny, barren homeland of QwaQwa, on the border of Lesotho.

In recent months, however, even those who argue that the homelands, for all their flaws, have given a measure of self-government and prosperity have been embarrassed by a series of highly-publicised incidents.

An estimated 3m black South homeland citizens, has run into the sands.

Abolition of the entire homeland system remains the demand not only of the ANC, but also of "moderate" black leaders such as they were dumped with their Chief Mangouthu Butheled, the Zulu leader. Even so, after bitterly attacking Transkel's Chief Lennox Sebe for accepting thighly-publicised incidents.

These include violent protests in South African citizenship though



homeland concept, he eventually agreed to become the chief minister of KwaZulu, arguing that he was by birth chief minister of the Zulu people anyway.

His avowed aim was to take advantage of the apartheid struc-ture to destroy apartheid. More than any other homeland leader

he has taken advantage of Kwa-Zulu's limited self-governing sta-tus to gain practical administra-tive experience and build a formidable political power base. The South African Govern-The South African Govern-ment knows that it if its plans for a national statutory council are to succeed it must include Chief Buthelest. As an induce-ment, Pretoria recently accepted the principle of a joint provincial legislature which in effect would legislature which in emotion of lead to the re-incorporation of KwaZulu into a multi-racial

stumbling block remains Chief Buthelezi's insistence that Mr Nelson Mandela and other kiled eaders be released beforehand. Meanwhile Pretoria continues

solid revenue from platinum and morning.

other mines and tourism.

Without direct elections, Mr other mines and tourism.

By Coline MecDougali

Hong Kong's Legislative Council and leader of a nine strong delegation to London, yesterday accused the British administra-Meanwhile Pretoris continues to pour billions of rand into the homelands to finance education, social security and other devel-

Partly as a result of Pretoria's Mr Lee and his group are in party as a resum of Pretoria's assistance, economic growth in London for a four-day visit to the homelands at more than 4 per cent annually has been much faster than in "white." South Africa in the 1980s, Development for these elections. They expect has been most impressive in Bophuthatswans, which enjoys a eign Office Minister of State, this called research from pleining and morning.

In spite of the corruption and heavy-handed policing, both Joint Declaration on Hong Kong Transket and Cisket have also shown rapid economic growth, based largely on foreign invest-

AMERICAN NEWS

Kidnap case sparks row in Argentina

CONTROVERSY is mounting in Argentina over the release from custody last week of Mr Sanches Reisse, a military intelligence officer, along with two other suspects who are accused of involvement in kidnappings. At the weekend, Mr Ricardo Molinas, the state prosecutor for administrative investigations, said he intended to appeal to the federal court over the decision of the judge, Mr Luis Cevasco, to release Mr Reisse on the basis of

"I was stupified by the news," said Mr Molinas. Mr Reisse was arrested in Switzerland in 1981, with two other military intelligence agents, when trying to collect a ransom for the kidnapping of a Uruguayan businessman. He was sentenced to almost five years'

lack of evidence.

Argentina where he faced charges in another kidnap case when he succeeded in fleeling to the US after being given a weekend release from his Swiss prison
for good behaviour. He was
arrested and extradited to Argentina from the US earlier this

year. Mr Sanchez Reisse was called before the senate commission hearings into the Irangate affair nearings into the irangate aftair earlier this year, and has been identified as the paymaster of the Argentinian military team which gave training to the Nicaraguan Contras in the early 1980s, before the US Government became openly involved in supbecame openly involved in sup-

porting them.

The controversy comes at the height of investigations into a kidnapping case in Argentina in which another policeman who

Carlucci plans \$33bn cut in US defence budget

BY LICHEL BARRER DI WARHINGTON

year's military budget.

The proposed cuts represent a reduction of about 10 per cent on the estimates drawn up by Mr Caspar Weinberger, Mr Cartucci's

Laspar weinberger, ar Carinco's high-spending predecessor. Mr Weinberger resigned last month, citing his wife's ill-health.

During his six years as US Defence Secretary, Mr Weinberger's budget factics rarely varied: he would start and end with the same figure declaring it recovers. same figure, declaring it non-ne-gotiable on national security

While the reductions are still
In the planning stage, they illustrate the growing political and counter-attack, leaking reports

MR FRANK Carluccl, the US
Defence Secretary, has ordered
Pentagon officials to prepare
cuts of about \$33bn from next
year's military budget.

The proposed cuts represent a
reduction of about 10 per cent on
the estimates drawn up by Mr
Caspar Weinberger, Mr Carlucci's

economic pressures to reduce US
military spending in fiscal 1989
— which begins in October 1988.

Mr Carlucci — previously President Ronald Reagan's national
security adviser — is by temperament more inclined to co-operate
with Congress than his predecessor. Some observers suggest that

However, a more important same figure, deciaring it non-negotiable on national security grounds.

Mr Carlucci appears to have adopted a different strategy, seeking to co-operate with the US Congress on spending reductions by starting out with a lower 1989 military budget of around \$290bn (well below Mr Weinberger's projected figure of \$323bn).

However, a more important influence appears to be Mr Carlucci's desire to shape the budget himself rather than allow oversubitious Pentagon plans to be streeded by Congress — either through the automatic cuts mandated by the Gramm-Rudman budget reform law, or through a revun of the arduous budget summit last month between the White House and Congress



Carincel: different strategy.

that important weapons systems

could be jeopardised by the record of defence austerity that Republicans - notably Vice-President George Bush - could publicise in the presidential election campaign next year. alles, the new Midgetman missile for the US air force and the US Army's LHX helicopter are under

hreat.
Senate budget chairman Mr

THE BREAK-UP of a small demonstration in central Moscow protesting against Soviet emigration policy on Sunday has undermined much of the Soviet Union's public relations effort in the run-up to the summit. By late Sunday, US television channels were all showing Soviet security men, presumably from the KGB, standing in front of the Soviet Foreign Ministry scuffling with reporters and a band of demonstrators. This is exactly what the Soviet

Lawton Chiles said he would retire from Congress when his term expired next year, Reuter reports from Washington. The Florida Democrat said he was retiring because he lacked enthusiasm for the job. He said, however, that he planned to remain as budget committee chairman next year before leav-

Soviet publicity record BY PATRICK COCKBURN IN WASHINGTON

Moscow scuffle tarnishes

This is exactly what the Soviet side in Washington did not want

to happen.
Inevitably the images of the skirmish have had a greater impact on American public opinimpact on American public opin-ion than the experts and special-ists which the Soviet Union has sent to Washington to give press conferences and interviews about perestroites and glasnoss. Given the sophistication of present Soviet efforts to influ-ance interpational public origin-

ence international public opin-ion, the fraces in Moscow is surprising it is unlikely that the KGB security police were deliberately trying to sabotage Mr Mikhail Gorbachev, the Soviet leader, on the eve of the summit but the failure of the KGB to prevent such an incident at a moment likely to do nost damage to the Soviet Union does show extreme official ineptitude.



WASHINGTON SUMMIT

Soviet public relations have moved far and fast since the first summit between Mr Gorbachev and President Ronald Reagan in Geneva in 1985 when the Soviet Fereign Ministry spokesman mently shot himself in the foot by demanding that Swiss secu-rity remove a single woman pro-testor from the ways conference testor from the press conference

By the time of the Reykjavík summit last year the Soviet approach was far more relaxed and sophisticated. The change

was probably largely the result of the appointment of Mr Gennadi Gerasimov as Soviet Foreign Ministry spokesman.

In the Saga Hotel in central Reykjavik, state and party officials, intellectuals and writers held daily briefings. When demonstrators made speeches and unfurled banners behind speakers there was no attempt to call ers there was no attempt to call the police.
An example of this more

relaxed approach came from Mr Fyodor Burlataky, a leading political commentator, who was quite willing to give a radio interview to Radio Liberty which Moscow normally denounces as a

GIA front.

In Washington the same line-up of establishment liberals, all of whom have been closely associated with Mr Gorbachev, is on call but international glasmost has lost something of its freebness.

There are some new faces. Mr Vitaly Korotich, editor of the radical weekly Ogonyok, is present, together with Mr Yegor Yakovlev, editor of Moscow News, the other main radical publication.

But however many interview.

publication.

But however many interviews they give, the incident outside the Soviet Foreign Ministry is likely to dominate the first American impressions of the

previous year, with visitor expenditure growing by 18 per cent to reach \$857m.

rests case in Deaver trial

Defence

DEFENCE lawyers in the perjury trial of Mr Michael K. Deaver rested their case yesterday without calling witnesses after the judge refused to dismiss any of the charge refused. the charges against the for-mer White House aide, AP reports from Washington.
Lead defence attorney
Herbert J. Miller Jr. told US
District Judge Thomas Penfield Jackson: "Based on

field Jackson: "Based on the evidence we've heard presented over the past sev-eral weeks, we have decided we have no need to put on any defence at all."

The former deputy White House chief of staff is accused of lying when he said he could not recall a series of contacts with for-mer colleagues in the

series of contacts with for-mer colleagues in the administration of President Bonald Reagan on behalf of lobbying clients. The defence attorney rested his case after Judge Jackson denied a series of defence defence motions for defence motions for directed verdicts of acquit-tal on all five charges that Mr Deaver lied to a congres-sional sub-committee and a grand jury about his lobby-ing activities.

Haiti strike confusion

By Peter Ford in Port-au-Prince

A GENERAL strike call by Haltian opposition leaders met with mixed success yesterday amid confusion over the goals of the stoppage.

Port-au-Prince factories worked at only 40 per cent capacity, union leaders and businessmen said, while many of the capital's buses stayed off the streets.

ing trade union confederation also backs the strike, but its effectiveness seemed to have been impaired by widespread fear of Tom-Tom Macoutes, armed supporters of former President Baby Doc Duvaller. Some political leaders are demanding reinstatement of the electoral council which Gen Henri Namphy, the Junta leader, dissolved a week ago.

Canute James reports from San Juan on a battle between two US airlines in the Caribbean

Spin-off from 'hub war' is good news for Puerto Rico

The controversy comes at the height of investigations into a tidnapping case in Argentina in which another policeman who was being sought for questioning apparently committed suicide at the weekend. A police sergeant who had also been arrested in the case hanged linked in his cell two weeks ago.

Treasurer appointed at World Bank

MR BARBER Consble, World Bank

MR BARBER Consble, World Bank of Merrill Lynch Merrica and northern South America and northern South America and a consecting flights at Munoz Morn Manile Roth, of Merrill Lynch Merrica and northern South America and are investing about 500 mt. As a result of deregulation in the US airlines industry and increasing competition between attribute and northern South America and northern South America and northern South America and proposed of the day of the agency, World Bank sources said yesterday, AP-DM reports from Washington.

Mr Roth, 45, will succeed Mr Eugene Rotberg, who resigned earlier this year.

Two US airlines are fighting a ''it is a perfect location in which another policeman who was been arrested in the Caribbean learn and Manile Sanchez of Eastern's Latin Manile Sanchez of E

2.39m passengers, from 1.80m, while American handled 1.99m passengers, 810,000 more than the previous 12 months. "Indications are that for calendar 1987, the volume of passenger movement will reach 7m," says Mr Rosario.

Passenger traffic destined for, and originating in, Puerto Rico now accounts for marginally more than transit traffic, but the Ports Authority says this will change when the hub becomes fully operational.

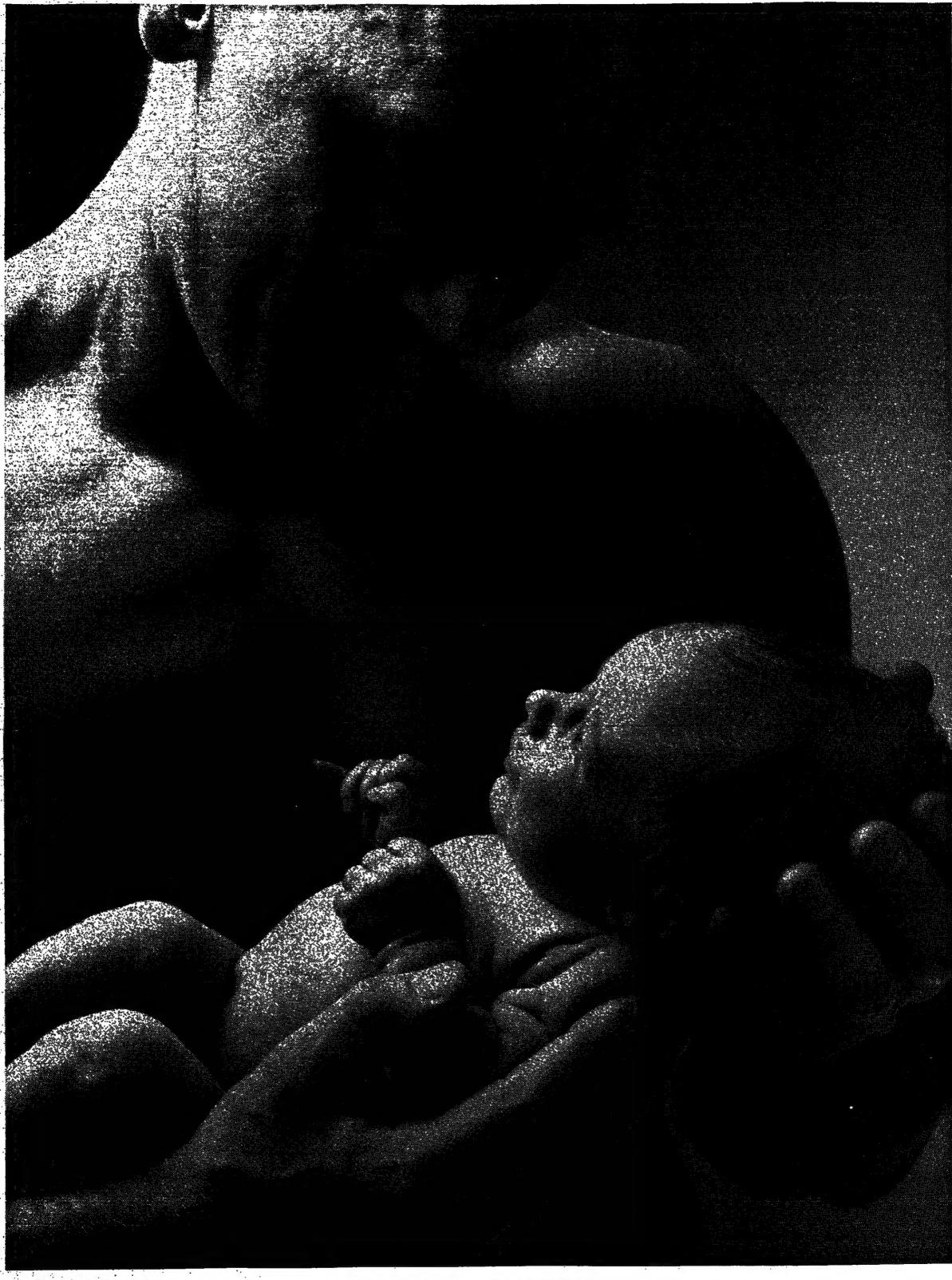
Steady growth in Puerto Rican tourism has also contributed to the increase in passenger traffic. Government officials say the link between the airport development and the tourist industry is synergic. Lower fares resulting from airline competition have lured more tourists to the island. In the 1987 fiscal year, tourist arrivals in Puerto Rico reached

The hub war has also benefited several commuter sirlines which provide connections to other parts of Puerto Rico and the Caribbean - not least, the struggling Leeward Islands Air Transport strengt by the strength. Transport, owned by the govern-ments of the Caribbean Eco-nomic Community, which island-hops through the eastern Caribbean.
The Ports Authority expects that other airlines will soon turn

to the Munoz Marin alreort to take advantage of the increased passenger traffic. "Airlines like British Airways and Lufthansa which are considering new and increased services to Puerto Rico will be able to take advantage of these hubs in connections to and from the Caribbean and South America, succeed Mr. Rosario America, suggests Mr Rosario.

the streets.

The strike was called by four centrist candidates in presidential elections that were aborted on November 29. Haiti's lead-



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The state of the s

Maggie Ford and David Thomas on the cautious strategy of a new wave of manufacturing investors

South Korean conglomerates lift profile in Europe

one and a half days to spare and though it has not yet held when British Telecom took seven detailed discussions with any.

Goldstar's decision to launch products such as televisions, video recorders and microwave ovens in the UK under its own name - it has been selling them in Britain under other brand names for about four years - is just one sign among many that South Korean conglomerates are taking more interest in Europe. In the past two weeks alone, Daewoo has announced plans for a microwave factory in France and Goldstar has opened the first South Korean plant in West Ger-many, a facility near Frankfurt. It will churn out 300,000 colour

it will churn out 300,000 colour televisions and 400,000 video recorders a year; making it larger than any Japanese factory prod-ucing the same products in West

THE SPEED with which Goldstar, the large South Korean group, launched its products into the British consumer electronics market this autumn must be a record, according to Mr Keith Harrison, the company's UK marketing director.

It took just five weeks to gut and prepare a warehouse in Slough ready for the launch. Nerves frayed a little when the fork-lift trucks arrived with only one and a half days to spare and

weeks to connect the switchboard, but other than that all
went well.

Mr Harrison is a veteran of
helping foreign companies find
their feet in Britain. "I started

Korean groups taking a higher
profile. Saehan Media has
announced the biggest South
Korean investment in Europe to
deta with its plane to groups to Fisher in the UK five years ago date with its plans to open an - but that was more orderly, I've lasom (£54m) video-tape factory never moved as fast as this," he in the west of Ireland. Samsung followed its construction of a

failure of currency approci-ation to dent Taiwan's trade performance came yesterday with an official announcement that the sur-

yesterday with an official announcement that the sur-plus reached a record \$17.8bn in the first 11 months compared with \$14.2bs in the same period of last year, writes Peter Montagnon, World Trade Edi-

Last year Secul officials arrived with a list of 200 items they wished. to import from Europe

Surope and a hint that it might build a semiconductor facility. This wave of South Korean investment looks like a challenge to the Japanese at their own game. With low labour costs, South Korean goods sre gener-ally at the cheaper end of the market, undercutting the Japa-

consumer electronics plant in are anxious to show they have Billingham, Teeside, with a drive learned the lessons of the Japato boost its component sales in less presence in Europe. At the

Officials in Taipei said the surplus had produced a new surge in the country's foreign exchange reserves

which had reached \$78.5hm

and are expected to top-\$75bn this year, an increase of more than \$30bn in 1987

One factor behind the con-tinuing sarge in exports is an expectation among for-

opening of Goldstar's German Their aim was two-fold. First rose 53 per cent in the first eight plant, Mr Kenn Sun Chol, presi- to diversify imports away from months of the year, however. dent of the company's consumer electronics subsidiary, set out to allay fears that the plant would be an assembly-only operation designed to flood Europe with low-cost, low-quality goods.

"Instead of just increasing vol-ume, we would like to improve the high-quality and high-price end," Mr Choi said.

South Force is warn of parting

end," Mr Choi said.
South Koree is wary of putting all its eggs in one basket. Faced with a trade surplus with the US this year of about \$10bn (55.6bn) and a trade deficit with Japan of about \$4bn, its approach to the new market in Europe has been different.
European governments were

Europe has been different.

European governments were surprised last year when a delegation of Seoul officials arrived at trade ministries in various capitals with a list of more than 200 items that they wished to import from European companies.

rency appreciation which would make locally-produced goods more expensive. The NT dollar yesterday rose a further two NT cents to NT222.20 per unit of US currency.

The latest trade figures come as an embarrasament to the government which

had been hoping for cur-rency appreciation to bite

Japan and second to produce a better balance in its trade with corpe, to try to head off the kind of protectionist pressures growing so strongly in the US.

Efforts to placets the US in other areas have aroused howls of rage from the European Community about unfair trestment, in particular over intellectual property rights. Talks on these

Affied to this strategy was the property rights. Talks on that opening of plants in Europe. Faster off the mark than the Japanes in this area — Goldstartion this month opened s sales office in West Germany only in 1980 — South Korean companies have resolved to try to learn from Tokyo's incompanies and avoid acquiring the reputation of being greedy experience and avoid acquiring investment in South Korea, experience.

Events have justed the strategy along faster than the US earlier also continue.

Seoul appears to have reached than it intended, a move which benefited Japanese importers the most. Imports from EC countries alleged dustying of video recorders was swiftly followed by voluntary self-restraint by the exporting charpanies.

Taiwan embarrassed by its record surplus

of exchange market hedging operations by exporters earlier this year.

Worried by signs that countries such as Taiwan are moving to fill the gap left by decibing Japanese exports to the US, Washington has recently began to revive pressure for the NT dollar to be floated

investment in South Rorea, which remains restricted. Demands for changes to numerous petry rules discriminating against foreign businesses will also continue.

experting companies.

An EU proposal to impose duties on products made at assembly or screedings plants of the kind the South Koteans are setting up appears so far to have affected only Japanese companies.

However, it is early days for Goldener, Summing and their colleagues. Care will still be needed to make sure that the similary is maintained and the control are reputation as a fair trader in

US and Canada define text for trade accord

US AND CANADIAN negotiators in Ottawa reached agreement on a definitive legal text for the bilateral trade deal between the two countries after an intensive weekend of talks which ended

The two sides had been strug-gling since October 4 to translate ging since October 4 to translate a preliminary transcript ini-tialled in Washington into legal terms — an undertaking which was originally expected to have been completed by the and of October.

The task has been complicated by efforts made by both sides to use the process as a pretext for renegotiating those sections of the preliminary transcript which have generated domestic opposi-

tion.

The slow progress prompted the inclusion in the final session.

If talks of Mr Derek Burney, the of staff to Canadian Prims be treated as favourably as US Minister Mr Brian Muhroney, and maritime legislation.

Substantive changes are also as treasure secretary.

we reter acreases, the us depmy tressury secretary.

For the moment, so details of thought to be possible in the secsubstantive changes to the preliminary document have been deal with automotive trade, the
released. Mr Sinton Reisman,
released. Mr Sinton Reisman,
released, in Sinton Reisman,
release

ber 4 agreement.
Strong pressure is believed to in their vehicles to obtain duty-inverse part on the US by the powerful maritime shipping lobby to remove a transportation amended to 60 per cent.

The final text of the agreement desling with services.

While the pact accepts the restrictions outlined in the Jones Act to the effect that all cargo shipped between US ports must be carried in US vessels, it also states that Canadian ships must January 2.

inadian chief negotistor, would and wines and spans. For example, a provision statistic consistent with the October 4 agreement. In their vehicles to obtain discovery for the provision statistics of the provision statistics of

Legal move to close EC music trade loophole

The British Phonographic ladustry (BPI), the UK music lindustry trade association, and the IFFI he informational counterpart, are seeking a ruling to prevent the exploitation of reislively weak copyright laws in some EC countries.

A wife less been issued trying to stop a number of companies and individually exporting records from the Netherlands, the Fatrick Isherwood, BPI

records from the Netherlands, where the copyright on the recordings has expired to the UK where the copyright is still

Buis Presley records and is being brought in the name of BMG Music, the West German music group which owns the convisit.

THE MUSIC industry is to bring The music industry is also a test case in the UK courts to worried that this loophole arises try to close what it regards as an in West Germany, where copyimpertant legal loophole governight protection applies to a tag trade in recorded music record for 20 years after it is throughout the European Companity.

The British Photographic

legal adviser, said: "If our con-tention on the law is wrong, a very profitable area of business could open up for third parties with no commitment to the record industry.

The trade associations expect

that the point of law at issue will eventually be tested in the Euro-pean Court.

Sony-Ford deal to bring DATs into US market

DIGITAL andio tape (DAT), the controversial Japanese andio product, is about to enter the US market following a deal between Sony and Ford, the US car maker.

Sony will supply DAT players to Ford which will offer them as optional equipment for its 1988 Lincoln Continental, though not under the Sony label.

DAT recorders have yet to be issuached in most Western markets because of the international controversy over their ability to make perfect copies of copyrighted music. The world music industry has claimed that if innehecked, DAT would kill off the recording industry.

Sony, knowever, has been making progress towards a settlement of the issue its purchase of CBS Records, which will be completed by the end of January, gives it a powerful position in the music business. It is expected of DAT in West Germany are industry in back DAT. It is also working on other potential out—

Soviet Union 'lags with Finnish ship payments'

has failed to pay on time under the schedule in the trade agree-ment between the two countries. As a result, Finnish shipbuild-ing companies, most notably Wartslia Marine and Rauma-Re-pola, have suffered interest losses amounting to tens of mil-lions of markkas.

According to Finnish ship-building industry officials, the Soviet payments have arrived several months late this year, usually following several notices.

THE Soviet Union has this year been consistently behind with trade pact for 1986-1990, the payments for Finnish vessels. Soviet Union has agreed to buy seconding to shipping industry of S4.5bn-\$5.2bn from Finland.

Finland's shipbuilding indus-try would be happy to reach even the lower figure, given the country's persistent trade sur-phis with the Soviet Union.

The vessels are ordered by V/O Sudoimport, the Soviet foreign trade association, and Finnish observers estimate that Sudoimport is constantly short of cash as result of a re-organisation of this Soviet foreign payments system.

The two companies are reflected that to specify the delays worth FM700m (\$97m) from this incurred but they acknowledge year to 1988 to help alleviate the unprecedented problems. Finnish yards cannot claim compensation since the trade agreement does not include clauses for payment delays.

The Soviet Union has officially proposed to defer ship payments worth FM700m (\$97m) from this year to 1988 to help alleviate the trade imbalance. Finnish yards are prepared to accept alternative forms of finance providing the Soviet Union compensates for the interest payments. The Soviet Union has officially

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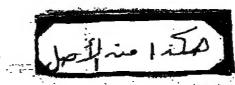
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CONSOLIDATED ASSETS AT 31 DECEMBER EXCEED USSOI BILLION.



Financial Times Tuesday December 8 1987 ATA Univas Wherever it is, we'll find it. OIL. Wherever it is, we'll find it. Oil is the primary source of energy. It is the power that moves the world and will be so for many years to come. But, it is necessary to be prepared to wrestle this treasure from the earth's most secret strongholds, using the latest continuously evolving technology, and to venture into hostile, inaccessible places. Agip, Italy's national oil company, took up this challenge sixty years ago, probing into the origins of the earth, experimenting with new techniques, and devoting to these activities human and economic resources that are always up to the difficulties to be overcome. Wherever the possibilities of finding oil exist, Agip is present with its spirit of initiative and decades of experience. The results achieved, alone or in cooperation with leading oil companies, in 30 countries, on 5 continents, make Agip a reliable operator in any oil activity. Even where no-one has ever reached. Deep thinking. Top results.

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The International State



Chairman of BOCM Silcock

har Mike Cowan is to become been appointed chief executive chairman of BOCM SILCOCK. He of the UK branch office in over-ucceeds Mr Allan Price, who all charge of its London akes over as chairman of Birds operations. He will remain chairman of The Policy Signing and lowest was chairman of the Policy Signing and Accounting Centre. Mr Mike Cowan is to become chairman of BOCM SILCOCK. He succeeds Mr Allan Price, who takes over as chairman of Birds Eye Walls in April next year. Mr Cowan was chairman of the Crosfields Group. Both have been with Unilever for about 30

WCRS DIRECT has appointed Mr Lawrence Anderson as managing director. He replaces Mrs Cherryl Koesiig who is leaving to join her husband in Germany. He was managing director of PHM Integrated Direct Marbottem

TREND DATALINE, part of the Trend group, has appointed Mr Arthur Fisher as managing director. He joins from ITL where he was regional manager, and takes over from Mr Dick Baines who moves to a twin post of group business development manager and managing director of Trend's newly-formed Dataspeed Company. Dataspeed Company,

TMM MEXICAN LINE has appointed Mr Mario Roman as senior European representative, based in London. He was the Line's representative in California. He is replacing Mr Julio Mara who is returning to Mex-

Mr Stevan Breeze has been appointed to the board of POLLY PECK INTERNATIONAL with responsibilities in the consumers electronics division. He was managing director of Tefal (U.K.) Miss Nicola Pearse has been appointed company secretary of Polly Peck International and all its UK subidiaries. She was opportate finance manager. vas corporate finance manager.

Mr Denys Cladwyn-Davies, formerly a main board director of Pilkington, has been appointed to the board of EFCO as a non-executive director.

Ms Denise Bennett, managing director of Templestock, has been elected vice-president of BEITA - the first woman to be accorded this honour.

Mr Cecil Lew, chairman of Towry Law, and Mr Alan Wes-ley, a director of Towry Law, have joined the board of CROSS & BEVINGTONS, a new subsidina company.

Mir Christopher J. Martin is the new chief executive of the TIPTON AND COSELEY BUILD-ING SOCIETY. He succeeds Mr Steart J. Eaton who has

At ANCIENNE MUTUELLE REASSURANCE Mr K.W.Had-

PHH, Swindon, a vehicle fleet PHH, Swindon, a vehicle fleet management company, has made three promotions. Mr. Chiris Cole becomes business development director from general manager - business development; Mr. David Knight, general manager - client services, is made client services director, Mr. Jeff Skinner becomes sales director, having been general manager - sales.

BRITISH & COMMONWEALTH HOLDINGS has appointed Mr Bruce Ursell to the board. He is deputy chairman and chief exec-utive of British & Common-

The J.M.JONES CONSTRUC-TION GROUP, Maidenbead, has appointed Mr. Malculat Riews as managing director of the design and build division. He was a divisional director with Bovis Construction. Mr. J. Man-tin Dunham becomes director of technical services. Mr. Lan Rich-ards has been made group con-struction director. struction director.

Mr Albert Becking has been elected charman of the BRITISH PUMP MANUFACTURERS' ASSOCIATION. He is managing director of the Worthington Simpson division of Dresser (UK).

HERTZ LEASING has presented three executives from manager to director. Mr Gooff Gwen becomes operations director, Mr John Phillips is appointed finance director, Ms Marcia Smythe is made sales director.

Mr Ber M. Fleet, chairman and managing director of NGR, has been appointed a non-executive director of KRUG INTERNA-TIONAL (UK), a wholly-owned subsidiary of Krug International Corp., Dayton, Ohlo, US.

Balfour Beatty senior posts

BALFOUR BEATTY has promoted the following executive directors to managing directors: Mr Neil Ashley, Balfour Beatty Construction international; Mr David W. Cawthra, Balfour Beatty Construction; Mr Iam Carroll, Balfour Beatty Power, All are main board directors.

Mr Brian Crack has become managing director of MERRICKS SICO. He was previously joint managing director.

Mr Michael Walker has been appointed finance director of THORN ERICSSON TELECOMMUNICATIONS. He joins from British Telecom, where he was finance controller of its international division. Mr John Miller becomes respective disaster withbecomes managing director, pub-lic systems. He was executive director of Otls Elevators.

Dr Peter Freedman has been appointed medical director on the board of CANTAB - Cambridge Applied Nutrition Toxicology and Biosciences.

TIP EUROPE has appointed Mr Chris Jopson as its develop-ment director. He was national sales and marketing manager at Transfleet Services.

Mr Tony Prentice has been appointed finance director WELDWORK CARGO SYSTEMS. a member of the Metenwood Group. He was previously finance director of Pritchard Janitorial Supplies.

Mr Alestair Hunter Smart has joined the partnerhsip of CAWOOD, SMITHIE & CO., stockbrokers.

ALBA has appointed Mr Andrew Rose to the board as finance director. He was group chief accountant, Hervard Inter-national, a subsidiary of Alba, which has appointed Mass Kim Barbon to the board as buying director for the giftware division. She was senior buyer at Under-woods.

The MARINA DEVELOPMENT GROUP has appointed Mr Philip Mason as its operations director. He was formerly a director of Haven Leisure, a sundiary of the Rank Organisation.

Mr John Simmonds has become executive chairman of LOHJA UK. He joins from the Teimar Group inc where he was manag-ing director of its UK operations.

SLYLES has appointed Mr David Watson assistant manag-ing director of its wholly-owned subsidiary SLyles Sons & Co in addition to his present role as

Mr Kevin Welsh has been appointed managing director of TRICITY DOMESTIC APPLIANCES, part of the Electrolux Group. He succeeds Mr John Cratherns who has assumed full-time direct control of Electrolux gas appliance company, Parkinson Cowan, in his capacity as its executive chairman. Previous Parkinson Cowan managing director for David Cropper has been seconded to the Electrolux Cropip to undertake special duties.

special duties.

At GENERAL HYBRID Mr Ermest F. Potter, former finance director at Cable and Wireless, has become a non-exec-utive director.

SANDERSON MURRAY and ELDER has appointed Mr R.K. Macaulay a non-executive director. He is managing director of Anglo Felt industries and chairman of Halifer Courier (Holdings).

CHLORIDE has appointed Mr Bries Hayward as its director of information technology. He was director, management infor-mation services with Systems Designers.

Mr Patrick Mervys Doyne Vig-ors has joined the board of ANGLO AMERICAN AGRICUL-TURE as finance director. He was with Peat Marwick Mitchell.

SAINT HOTELS has elected Mr Narim Manji as its manking director.

British Gas treasurer

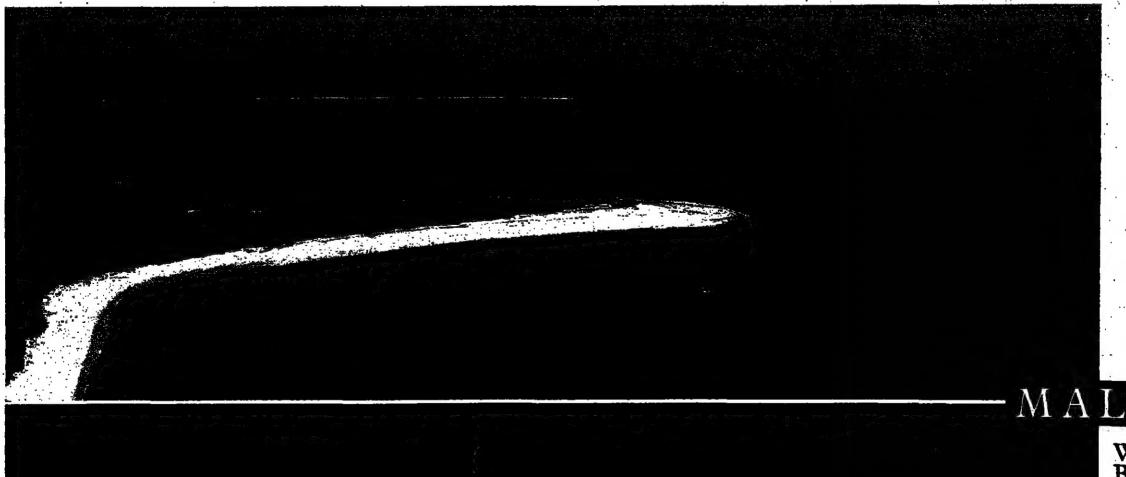
Mr Arthur Burgess has been appointed treasurer at BRITISH GAS headquarters in the corporate finance department, Mr David Chellingsworth, assistant director, finance, will continue to be responsible for industry accounting, and financial planning and appraisal, while Mr Burgess manages the treasury and texation departments.

Johnsen & Jorgensen Plas-JOHNSEN & JORGENSEN PLAS-TICS has restructured its board. Led by managing director Mr Keith Jackson, the board now comprises: Mr Eddis Box (com-mercial director). Ms Barbara Cresswell (business develop-ment manager). Mr Benbigh Hamilton Harding (sales direc-tor), Mr Harvey Neale (techni-cal director) and Mr Jim Sorrie (production director).

Mr James Smills, chairman and chief executive of Strats-tone, has been appointed a non-executive director of GREAT SOUTHERN GROUP.

Williams Holdings has appointed Mr John Newcas as managing director of POLYCELL PROD-UCTS: He was director and general manager.

Mr Michael Coyne, has been appointed finance director of DAVIES & METCALFE, Stockport. He joins from Adamson Modular Systems, a stibuldiary of



WELCOME BREAKS FROM BUSINESS

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Consumer credit growth slower but still buoyant

THE GROWTH in consumer outstanding debt since the begin- than they were before the crash.

Consumer credit provided by retailers, bank credit cards and finance companies ruse by a sea-

THE GROWTH in consumer credit moderated in October but ning of this year.

The underlying trend remained buoyant, according to figures picture of underlying trends and comments by leading retailed pepartment of Trade and Industry.

Consumer credit provided by Consumer credit provided by pared with the previous three consumer credit.

Consumer credit provided by retailers, bank credit cards and finance companies rose by a seasonally adjusted \$2.9hn in October. The DTI said that total outstanding debt, which takes into account repayments, rose by \$212m and amounted to \$22.3hn at the end of October. This represents a 17 per cent increase in because they feel less wealthy onto the month period. In separate figures released the christmas period. In separate figures released christmas period. In separate figures released yesterday the DTI confirmed a strong growth in retail sales during October. The department said its seasonally adjusted index of the volume of retail sales rose by 0.9 per cent from September to October. The revised volume index for October was 138.0 (1980–100).

Japanese to set up electronic components plant on Tyneside

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anese goods year. Development Association
Mitsumi, which has a world. The Northern Development ceeds Mr Martin Eastes
Wide turnover of more than Company (NDC), which acts as

Zeebrugge

captain

MITSUMI ELECTRIC announced yesterday that it will open a factory making electronic components in north-east England.

It is the latest in a spate of Japanese components companies to have announced recently they were setting up manufacturing operations in Europe.

The move by the Japanese to make more components to make more components to make more components of make more components of the plant, which is the company actions atticularly actions and atticularly sites the factory in products will include move with Mitsumi. The company also considered several alternative sites in Britain and on the Continent.

Mitsumi's arrival will bring the mumber of Japanese companies industry.

The plant, which is the company actions aimed at operations early next year with a increasing the amount of locally-made components used in Japanese goods Development Association, succeeds Mr Martin Easteal, who

Marler chairman to buy

appeals CAPTAIN Devid Lewry, master of the ferry Herald of Free Enterprise, which capsized off Zeebrugge in March with the loss of 188 passengers and crew,

claimed in the High Court in London yesterday that the disas-ter inquiry should not have found him guilty of serious neg-Captain Lewry asked two hudges to reverse the inquiry's decision to suspend his master's certificate of competency for a

The inquiry, chaired by Admiralty Judge Mr. Justice Sheen, ruled in July that the immediate cause of the tragedy was serious negligence by Captain Lewry and his chief officer, Mr Leslie Sabel, and by the assistant bosun, Mr Marc Stanley, who failed to close the ferry's bow doors.

Sears names chief executive

MR MICHAEL PICKARD is to take over from Mr Geoffrey Maitland Smith as chief executive of Sears, the retail condomerate, at the beginning of its financial year on February 1 1988.

Sears has been the subject of bid speculation since one of Mr Robert Holmes a Court's companies, J N Taylor, built up an 8.4 per cent stake. Since the stock market fall that threat has receded.

receded.

Mr Pickard, aged 55 and currently deputy chief executive, joined Sears in September last year from Imperial Group, where he had been deputy chief executive and chairman of the brewing and leisure side.

Mr Maitland Smith will remain chairman of Sears.

Co-op agrees to funeral sell-off

chairman of Sears.

THE CO-OPERATIVE Wholesale Society has agreed to sell certain of the Scottish funeral busiof the Scottish funeral businesses it bought from House of Fraser by October 21 next year.

The agreement, as well as one to supply coffins on a normal commercial basis to any undertaker, was required by the Monopolies and Mergers Commission when it ruled that the takeover was against the public interest.

Spycatcher ban judgment delayed

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MR JUSTICE SCOTT yesterday reserved judgment on the Government's High Court plea for a permanent ban on press reporting of the contents of Spycatcher, the memoirs of retired MI5 officer Peter Wright. The judge's decision on the ban is not expected for at least a week.

Dunfermline link

SCOTLAND'S biggest building society, Dunfermline, has decided to become an appointed representative of Scottish Life Assurance, one of Britain's lead-ing mutual life offices.

FOOD INDUSTRY oa Friday 22nd January 1988. For full details contact: MARK JONES on 01 248 8000 Ect 3365 FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER **QPR** football club

strode, Marier's chauman, to run
the first division club.
Marier will receive \$7.5m for
QPR, a \$1.5m profit on the price
It paid in February. Around 55m
will be paid in cash, with Mr
Bulstrode putting up \$1m, other
investors a further \$2m and the

MARLER ESTATES, the property company which became an object of loathing for west London soccer supporters earlier this year, is selling Queen's Park Rangers football club.

However, the purchaser, enigmatically named Chasegiade, is not entirely unconnected with the property group. Chasegiade is a new company especially established by Mr David Bulstrode, Marler's chairman, to run the first division club.

20 per cent stake.

Mr Bulstrode will pay a 2290.00 deposit, which he will bese if the fund-raising exercise is not completed before March 1989, and he has also guaranteed any trading losses in that period. QPR lost only \$22 last year.

QPR's plastic pitch is due to be dug up next summer and replaced by turf. Mr Bulstrode will pay a 290.00 deposit, which he will be if the fund-raising exercise is not completed before March 1989, and he has also guaranteed any trading losses in that period. QPR lost only \$22 last year.

QPR's plastic pitch is due to be dug up next summer and replaced by turf. Mr Bulstrode will pay a 290.00 deposit, which he will be in the fund-raising exercise is not completed before March 1989, and he has also guaranteed any trading losses in that period. QPR's plastic pitch is due to be dug up next summer and replaced by turf. Mr Bulstrode will pay a 290.00 deposit, which he will be in the fund-raising exercise is not completed before March 1989, and he has also guaranteed any trading losses in that period. QPR lost only \$22 last year. and he has also guaranteed any trading losses in that period. QPR lost only \$22 last year. QPR's plastic pitch is due to be dug up next summer and replaced by turf. Mr Bulstrode hopes to increase profits using the ground for other events, such

as boxing and pop concerts, and Marier will receive \$7.5m for is considering a retractable roof. QPR, a \$1.5m profit on the price it peid in February. Around £6m will be paid in cash, with Mr Bulstrode putting up \$1m, other investors a further \$2m and the balance set to come through a share issue among the club's supporters. Marier will take \$1.5m worth of shares, leaving it with a liahment and the local council.

Shipping contribution to invisibles rises sharply

BRITISH-OWNED ships contributed almost £1bn to the invisible account of the UK balance of trade last year, the General Council of British Shipping said

yesterday.
This was an increase of about \$250m on 1985, in spite of a substantial fall in the number and tonnage of British-registered

tonnage of British-registered ships.

The council, which represents 110 shipping companies, calculated total receipts from abroad—including freight payments, passenger revenue and charter fees—at £1,946m.

This compares with disbursements abroad—mostly fuel costs, canal dues and port expenses—of £967bn.

The figures will provide

expenses - of \$967pn.
The figures will provide

renewed ammunition for the council in its campaign for fiscal and other help from the Government to reverse the decline of the UK-registered fleet.

Only 400 ships of 6m tonnes deadweight are both owned and registered in the UK compared with 1,614 ships in 1975, when the fleet reached its peak.

The council plans to approach the Chancellor shortly with proposals for the reintroduction of investment allowances, principally through roll-over relief.

Mr Paul Channon, Transport Secretary, indicated last week that the Government had little intention of offering fiscal help to the industry so long as reserve

to the industry so long as reserve defence requirements could be

Lawyers call Legal Aid Bill unimaginative

THE Law Society yesterday called the Government's Legal Aid Bill, which if enacted would shake up the existing legal aid system, an unimaginative and cost-cutting exercise.

The comment came at a press conference called by the Law Society and Bar Council, at the start of a campaign called "There's no justice without Legal Aid," aimed at amending the bill. Mr Henry Hodge, chairman of the society's legal services committee; said: "We see it as an unimaginative, cost-cutting exercise. We feel there is no justice without legal aid. The legal aid system is something which needs to be protected. This bill threatens it and it's something we are very concerned about."

Financial contributions would be tied to a case's length instead of to an applicant's ability to pay.

The bill proposes to limit payment for lawyers' work. The society says this would risk creating a second-class service with queues waiting to see a few harassed legal advisers but unable to find out about rights or obligations.

The society will distribute a four-page leaflet to lawyers, advice centres, MPs and others emphasising the importance of legal aid.

unimaginative, cost-cutting exercise. We feel there is no justice without legal aid. The legal aid system is something which needs to be protected. This bill threatens it and it's something we are very concerned about."

The bill proposes the dismanting of the Green Form Advice Scheme. Under this, many people obtain free legal advice.

smphasising the importance of legal aid. The society said: Too many people are unaware of legal aid or its importance until they need to rift they are faced with a housing problem or a divorce. We believe that, like the Health Service, legal aid is essential and must be there when people need it."

Insurance group plans corporate restructuring

BY OUR FINANCIAL STAFF

GUARDIAN Royal Erchange, the composite insurer, is reorganising the corporate structure of its UK operations to separate its non-life insurance activities from its investment management side. From the new year, a whollyowned subsidiary called GRE (UK) will handle the group's UK non-life business, which has annual premiums of more than 2600m.

The group is forming another

two companies, GRE Asset Management and GRE Properties. The former will manage investment portfolios for GRE and its clients, the latter will manage the group's property portfolio and offer its services to outside clients.

Mr Peter Dugdale, group chief executive, said all three companies would benefit from closer identification of financial man-

Paint makers brush up their telecoms rationalisation strategies office for London

TWO DISTINCT and parallel rationalisation strategies emerged in the paint industry yesterday with the announcement that Hoechst of West Germany was to sell its Berger, Jenson and Nicholson subsidiary to Williams Holdings.

Hoechst, one of the world's biggest chemical companies, is pulling out of the world decorative raints trade and Williams

FRANCE Cables et Radio (FCE), a subsidiary of the Direction Generale des Telecommunications, the French telephone network operator, is setting up an office in London to work in the fast-expanding field of private telecommunications networks.

French

By Terry Dodsworth, Industrial Editor

The move reflects the importance of London both as a hub for international telecommunications and as a centre for multinational company headquarters.

Mr Jean-Luc Vacher, head of the UK operation, said yesterday that many of the French group's US clients used London as the head-quarters of their European activities. garters of their naropean activities.

In addition, several French industrial compa-nies and banks had a strong presence in London, he said.

FCR recently launched a trategy to increase its international presence by establishing local subsid-laries to serve both domes-tic and international cus-

rollowing the opening of the London bureau, a fur-ther office is planned for the US early next year.

Private telecommunicarivate telecommunica-tions networks are common in large companies, which hire telephone lines from the network operators and use them to transmit voice, data and video messages.

A number of independent companies are active in the market, providing expertise as well as equipment to the users. FCE said it planned to work with one of these independent groups, Inte-grated Processing and Com**Christopher Parkes** on Hoechst's sale

live paints trade and Williams, a newcomer, is pushing its way in. For the German corporation, the sale signals a shift in focus to high-value-added, high-perfor-mance, sophisticated industrial mance, sophisticated industrial coatings with a global market. Mr Arno Baltzer, chairman of Hoechst UK, said two subsidiaries in Austria and Italy were all that remained of the group's low-tech decorative paint business. They, too, would be sold. But while Hoechst has been calling with one hand it has

selling with one hand, it has been buying with the other. About a year ago, for example, it bought Renault's automotive paints interests in France and at the same time took over indus-trial paint specialist Ault & Wiborg of the UK.

witorg of the UK.

This acquisition, together with British industrial Coatings, stays within Hoechst's fold. "Now we can concentrate on our core business," Mr Baltzer said. "Decorative paint does not fit our strategy. It's a question of economies of scale."

A poor third position in the UK decorative market and assorted interests around the Commonwealth might be of little interest to a multinational on Hoechst's scale, but this suits

Williams's strategy nicely.

Mr Nigel Rudd, chairman, said
the deal increased the group's
emphasis on manufacture and marketing of branded building and consumer products. With Brolac and Magicote paints and Cuprinol wood preservatives in its UK portfolio, added to the Crown name bought from Read Interrectional in June Williams International in June, Williams has jumped from nowhere to a strong number two in the UK decorative paint business, dogging ICI's Dulux brand.

of Berger to Williams Holdings

UK Decorative Paint Other Brands 15% Woolworth Own-Label (Macpherson) 8% Berger (Hoechst) 8%

Crown (Williams Hidgs) Dukix (ICI) 34%

Before the Crown purchase, its best-known brands in Britain included Rawiplug fixing products and Swish curtain tracks and blinds. It also had, and will retain, a 20.8 per cent interest in A.G. Stanley, the fifth largest do it yourself retailer in the UK. Its overseas interests - the Crown acquisition established it in paint in the west of the US and Europe with the Polycell range - are also bolstered by the addition of Berger subsidiaries in Australia, Portugal and Africa.

Mr Brian McGowan, chief executive of Williams, was reluctant to detail plans for the latest buy, but some redundancies seem unavoidable. "There is enormous scope for rationalisation in the UK," he said. He also has to deal with difficulties in Australia, where Berger operations lost £10m last year.

Overcapacity is one of the main difficulties in the decora-

Overcapacity is one of the main difficulties in the decorative paint business. Berger's most up-to-date plant at Darwen, Lancashire (it has others in Northumberland and Bristol), was working single shifts, Mr McGo-

He will act quickly, promising rationalisation of the whole acquisition within six months. On recent experience, he can be expected to keep to schedule. Williams has already closed two Polycell factories in West Ger-

many and Austria, which were working at half capacity.

The first step in the UK has already been taken with the appointment of Mr Paul Lever as head of a new paints division. Mr Lever, managing director of Crown since before the takeover, will co-ordinate the efforts of the expanded business, which will account for 49 per cent of Williams Holdings' sales and 40 per cent of profits

liams Holdings' sales and 40 percent of profits.

He will also turn his attention to reviving the Berger brands. Many, Mr McGowan admitted, had been living on their past achievements for 20 years. Berger Magicote, for example, was rather faded' although Brolac was still relatively strong in the south of the country.

Williams has a useful distribution link through Stanley's Fads and Decor 8 outlets, and the 200-odd Crown and Berger trade centres for professional decorators, but Mr McGowan felt it unlikely that the group would want to

that the group would want to make any further inroads into retailing. He also hinted at further acquisitions in other areas

Overcapacity in the UK market will not be corrected by Williams closing a factory or two. The group's market share, put by Mr McGowan at a modest 23 per cent, will probably lead to difficulties with the Monopolies and Mergers Commission for any fur-ther takeovers and rationalisa-

paint maker in the world. Hoechst and others are taking the specialist route because their decorative paint production lacked the critical mass and mar-ket penetration to suit boardroom demands. But ICI has breadth and depth in interna-tional markets, and especially at home, the Dulux dog can be relied on to bite.

Tarmac chief wins **business** award

By Ralph Atkins

SIR ERIC POUNTAIN, chairman and chief executive of Tarmac, the construction group, was yes-terday named 1987 Businessman of the Year.

The selection panel, including industrial and commercial leaders, said Sir Eric was chosen for his personal leadership skills, entrepreneurship and business track record.



Sir Eric Pountain: "Burning ambition for the job I do"

Sir 'Owen Green, BTR chairman and chairman of the panel, described Tarmac as 'a model of consistent economic growth and the largest, most successful construction company in the UK."

struction company in the UK."

The award, sponsored by J.O. Hambro, was presented at a lunch at the Savoy Hotel, London, addressed by Mr. Kenneth Clarke, Industry Minister.

Sir Eric, 54, has worked for Tarnac since 1974 and has been chairman since 1983, Last year he was paid £182,000. Under him the group has grown strongly and expanded in the US.

Yesterday Sir Eric said many chailenges lay ahead at Tarmac and he had no desire to move on. "My burning ambition is for the job I do," he said.

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Royal Mint, the oldest mint in the world. It is available from all banks and brokers.

And there are three other

coins, which contain half an ounce (15.55 grms), a quarter of an ounce (7.78 grms), and one tenth of an ounce (3.11grms) of gold.

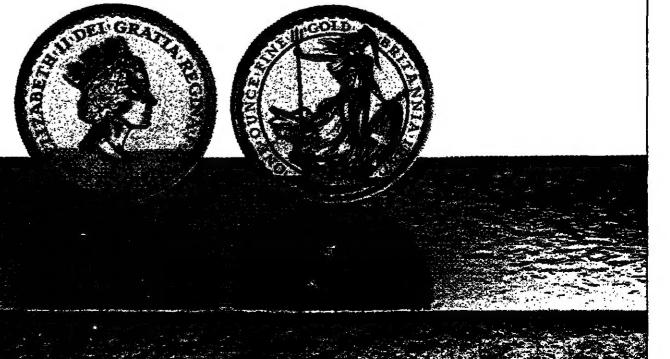
Their price, of course, is determined by the current price of gold.

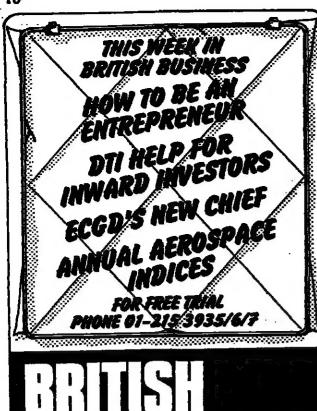
Which, in the long term, has always risen.

The new Britannia from The Royal Mint.

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bank leumi (uk) plc

Base Rate

Bank Leumi (UK) plc would like to announce that with effect from Monday 7th December 1987 its base rate for lending is decreased from 9 per cent per annum to 8½ per cent per annum.

bank leumi בנק לאומי 餓

Tax staff in line for large pay rises

TAX OFFICERS are in line for big salary increases under an outline agreement which would separate them from the rest of the Civil Service, introduce per-formance-related pay and pave the way for work changes designed to clamp down on tax evasion.

The Inland Revenue Staff Federation, the tax officers' union, is recommending acceptance of the \$30m deal, which would raise maximum pay levels by as much as 19 per cent by April 1989.

The outline agreement follows closely the pattern of the agree-ment earlier this year for scien-tific and technical civil servants. It would mean that a total of about 170,000 of the 500,000 white-collar civil servants would have their pay determined to some degree by their perfor-

Psy negotiations for inland Revenue staff would in future be conducted on a departmental basis, as is being advocated for Whitehall as a whole by Sir Robin Ibbs, the Government's efficiency adviser.

A central part of the Revenue deal would be a reorganisation of duties so that grades below that of tax inspector took over some functions from grades immediately above. This would eventually free many deskbound inspectors from routine tasks to concentrate on tax compliance

The deal would also commit the 55,000-strong IRSF to an overtime agreement, to co-operate with changes in working practices and technology and to accept the use of temporary appointments and outside consultants.

On pay, there would be a reformed main salary structure with performance increments for staff receiving above avarage markings in their annual reports. There would be further flexibility for the award of increments in response to recruitment and in response to recruitment and retention problems.

From 1989, there would be settled system of pay negotiation "informed by" surveys of pay trends in the economy as a whole - particularly the finance

Before then, maximum salary levels would rise in stages by a total of between 9.8 per cent and 19.1 per cent, the lower-paid get-ting the bigger rises.

Unit trusts win reprieve on rules

THE unit trust industry has won an at least temporary reprieve from tough new rules proposed by the Securities and Investment Board.

The Department of Trade and

Industry is to maintain responsi-bility for the rules governing the regulation of unit trusts follow-ing the controversy over the

ing the controversy over the board's proposals.

The aim, a joint DTI-SIB statement yesterday said, was to meet requests from the unit trust industry for more consultation over the proposed rule changes, while keeping within the original timetable for the implementation of the Financial Services Act.

monitoring the industry the rules under which it will do so will be laid down by the DTI.

The board published draft rules for controlling the industry at the begining of October and ran into a barrage of criticism. Many long established practices would have been overturned.

Among its most controversial recommendations was that buyers and sellers of units should do original timetable for imple-

ers and sellers of units should do so on a forward pricing system under which prices would be determined after the deal order rather than on a historic basis.
The SIB also wanted administration charges and fees payable
when a deal is done to be quoted

its concern direct to the DTI.
Yesterday's statement said that
in order to meet requests from
the industry for further consultation, yet to keep within the
original timetable for implementing the 1986 Financial Services Act, the DTI would make
the initial rules.
The artismentary procedures.

The pasliamentary procedures for getting rules put forward by the Department approved are much quicker than the approval procedures for SIB rules.

Both the board and the DTI emphasised that the move did not necessarily mean the controversial forward pricing proposals would be abandoned. Nonethe-

private investment into the

Mr Ridley said yesterday that he had no plans at present textend the list of UDCs further.

New UDGs

Existing UDCs

Verseyside

Tyne and Wear

Trafford Park Manchester

year or so there has been a great turnround in attitudes, and prop-erty values are beginning to rise, Mr Ridley said.

The Confederation of British

Volvernamoton Country

present big pay claim By David Brindle, Labour

Nursing

unions to

the association accepts.

Forward pricing was one method of protecting investors, the DTI said, but it would look at other possibilities before finalising its rules.

Mr Bill Stuttsford, chairman of the Unit Trust Association, welcomed the extra period of consultation and the additional time there would be before changes were implemented.

The DTI intends to complete the consultation process by early January and to produce its final set of rules by the second half of February.

Correspondent

UNIONS representing about 500,000 National Health Service mursing staff will today call for a big across-the-board salary increase when they publish their joint evidence to the profession's pay review body.

Almost uniquely among pay bargaining groups, the nurses can confidently expect the backing of the media and popular opinion. This year, as concern mounts over NHS funding and the supply of nursing staff, that backing will be even stronger than usual.

was recently widely reported to have asked a nurse how much she was paid and to have exclaimed: "Why do they get at the nurses?" Even the Princess of Wales

In such a climate, they will be brave men indeed at the Depart-ment of Health and Social Security who question the nurses' right to a large general increase. But their case will not be thread-

First, the DHSS is likely to point to the Government's New Earnings Survey, showing that in April this year the median earnings of female full-time registered and enrolled nurses and midwives were \$147 a week. The median for all non-manual representations and the second survey was \$142.20 and women workers was £142.20 and for manuals was £108.20.

Nurses' gross hourly earnings were also above the non-manual average and, more important, the survey was taken before the average 9.5 per cent rise awarded by the Government earlier this year in advance of the general

Further, a national survey published a fortnight ago by Nursing Times magazine found the typical nurse to be a house owner and car owner, having a credit card, private savings and holidaying abroad. The lifestyle portrayed was by no means lav-ish, but comfortable.

Second, the DHSS is likely to argue that what is required is not an across-the-board increase, but selective incentives for specialist nurses and for those in geographical and functional areas of recruitment and reten-tion problems.

Act. Under the Act, responsibility for controlling the unit trust industry passes from the DTI to the SIB. Now, however, although the SIB will be responsible for which claimed they were Government plans 'mini' urban development areas

the six already established in England, to be the main instruments through which inner chy programmes will be administered and co-ordinated.

The new group will be smaller in size compared with the origi-

Manual unions agree

to consider Ford offer

A NEW generation of "mini" nal six in London's Docklands, urban development corporations, Merseyside, Teesside, Tyne and was launched by the Government Wear, Trafford Park and the Black Country, and will range from 250 acres to 1,500 acres.

They will be at Bristol, Leeds
They will also have smaller and central Manchester, and the budgets and the estimate is that existing Black Country UDC will be extended to include parts of Wolverhampton.

The Government intends the new corporations, together with the six already established in England, to be the main instruments through which inner chy

extend the list of UDCs further.

He rejected suggestions that
the Government's policy towards
the inner cities was in a shambles because of the confusing
range of initiatives and because
of ministerial rivalry over who
should head the regeneration campaign.
We hear about confusion and rows but it is a total fabrica-

tion on the ground where UDCs industry welcomed the decision have been operating you will to set up the mini UDCs. Mr find bulldozers, cranes and a John Banham, director general, feeling of buoyancy. In the last said it was "fust what is needed" Fewer fatal injuries reported in industry

THE NUMBER of fatal injuries in British industry fell in 1986 -87 and the previously rising trend of major injuries may have levelled off, according to a Health and Safety Executive report published yesterday.

However, the HSE cautioned that the figures were not readily MANUAL unions at Ford Motor The improved offer is designed

MANUAL unions at Ford Motor Company yesterday agreed to consider what the company described as its final pay offer which included a further I per cent improvement in its basic pay offer to 6.5 per cent

The company opened negotiations six weeks ago, by outlining a three-year offer with an increase in basic rates of 4.25 per cent in the first year, followed by rises linked to inflation in the subsequent years. At the last negotiating meeting, the unions, which represent 32,500 manual workers, rejected an increased offer of 5.5 per cent.

The improved offer is designed to win the unions' agreement to winde ranging changes in working and flexibility between skilled and unskilled workers.

The manual unions refused to sanction local discussions on the changes and told the company that they would decide their response to the offer early next year.

Ford said the improved offer is designed to win the unions' agreement to winde ranging changes in working and flexibility between skilled and unskilled workers.

The manual unions refused to sanction local discussions on the changes and told the company that they would decide their response to the offer early next year.

Ford said the improved offer is designed to win the unions' agreement to winde ranging changes in working practices, including the introduction of team working and flexibility between skilled and unskilled workers.

The manual unions refused to sanction local discussions on the changes and told the company that they would decide their response to the offer early next year. The manual unions refused to sanction local discussions on the changes and told the company that they would decide their response to the offer early next year.

Ford said the improved offer would increase the basic rate for assembly workers by 16.3 per cent over the three years.

However, the HSE cautioned that the figures were not readily comparable with earlier years to company that the figures introduced last year to the system for reporting accidents.

The figures are also provisional and, on the evidence of past years, the final figures are likely to be 4 per cent higher than the estimates.

In addition to the accident sta tistics, the report paints a generally bleak picture of the HSE's position. The Executive is under-resourced, faces a backlog of uncompleted inspections, problems with recruitment and provides of the problems of the provides of the provid

maintaining staff and a heavier

burden of responsibilities because of recent legislation.

There were 177,743 injuries to employees, the self-employed and non-employees in British industry in 1986-1987. Of these 465 were fatal, 33,641 were major and 143,637 were injuries requiring more than three days away from work. away from work.

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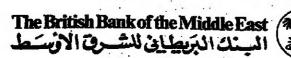
technology for more than ninety years now. At the same time, we've always realised that all of the information and communication systems in the world are useless without the human resources needed to operate them effectively.

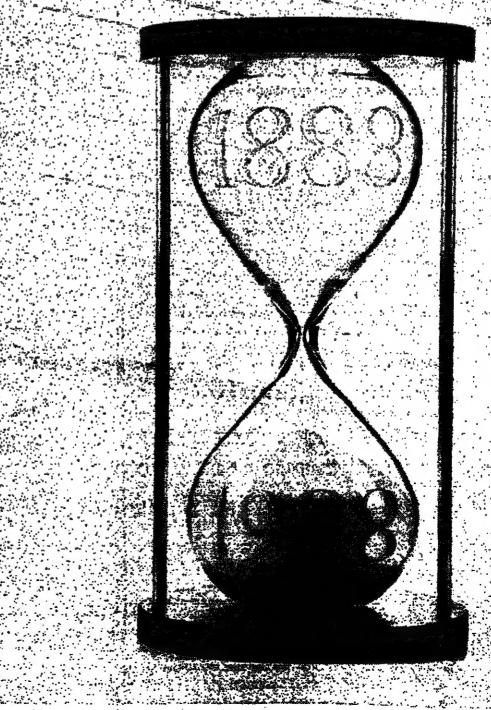
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es in the course of a century have been raided for the survey.

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Safeguards for BT clients demanded by watchdog

TOUGH SAFEGUARDS for British Telecom clients were demanded yesterday by the National Consumer Council. The council was responding to a consultative exercise launched in August by the Office of Telecommunications, the industry's

regulatory body.

Oftel is expected to decide in the New Year whether to impose the New Year whether to impose financial penalties on BT for delays in fault-repair and lines-supply. This follows complaints Oftel received about BT's standard contracts which protect the company from financial liability. Yesterday BT's standard telephone contracts were called a disgrace by Ms Saily Oppenheim-Barnes, council chairman.

heim-Barnes, council chairman. She said: They are loaded in favour of BT - and against their

Posgate and four others remanded By Raymond Hughes, Law

MR IAN POSGATE, an under writing member of Lloyd's, the London insurance market, and four other men facing fraud con spiracy charges were further remanded on ball until January 29 by Guildhall magistrates in London yesterday.

years, as the result of a competitive contract.

Plessey Navai Systems has sure the changes in water temporary of Defence requirements from 1988 to 1990, while Dowty Maritime Systems is to supply the remainder for about £15m.

Which is its own product used in relatively small numbers to measure the changes in water temporary that are vital to construct to supply of Ministry of Defence requirements from 1988 to 1990, while Dowty outright for the \$20m contract to supply Barra sono-supply the remainder for about devices also used in relatively small numbers, and the contract Mr Timothy Langdale, prosecuting, said it was likely the form of the committal proceedings would be known by that Sonobuoys, used in large numbers and the contract bers by the navy and air force to detect submarines, are virtually the only product sector in which the MoD follows the common US ing competition in procurement, and the contract was again awarded to a single company.

Mr Posgate and three former directors of the Alexander Howden group, a Lloyd's insurance broker - Mr Jack Carpenter, Mr Alan Page and Mr Kenneth Grob - are charged with conspiring to defend the group. defraud the group.

They are alleged to have falsely represented that a syndicate of buyers of the Banque de Rhone et de la Tamise, of Geneva, comprised individuais or entities independent of Alexander Howden

Mr Carpenter, Mr Page and Mr Colin Hart, a farmer from Whitstable, Kent, are also charged with conspiring to defraud members of two Lloyd's syndicates by effecting transfers of members' funds to the Banque du Rhone et de la Tamise.

All five men were remanded on conditional bail of £100,000

The council helped to spark criticism of BT's performance in the summer when it published a public-opinion survey.

These standards would cover areas such as the percentage of time a telephone is available for use, and time taken to fix faults public-opinion survey.

It recognises that other private or to provide a particular service.

BT's failure to meet these stancompanies that other private of the provide a particular service.

BT's failure to meet these standards would make it liable to pay compensation to the client.

The council says separate standards with the council says separate standards with the council says separate standards. monopoly of many services its dards for BT's network as a customers "must accept the con- whole should be set down which ditions BT impose or go without the service completely." would be tougher than standards for individual clients.

It calls for a body independent of BT to be made responsible for ensuring BT's standard contracts a cut in profits through rules are fair, probably Oftel itself or governing financial perfor-the Monopolies and Mergers mance.

The council wants standards for individual domestic customers to be written into BT's licence or standard contract.

The council demanded an end to BT having the right to cut off the telephones of clients in dispute with it about a particular bill.

MoD says competitive

contract saved it 25%

BY DAVID BUCHAN, DEFENCE CORRESPONDENT

Satellite message service proposed

vice is being proposed by a com-pany set up by Mr Adrian Nor-man, a former information technology adviser to the Cabi-

panies to send messages around the country in a matter of sec onds for as little as 1p each onds for as little as 1p each, using spare radio channels to be carried by Britain's first direct broadcasting television satellite, due to be launched in 1989.

"It would mean a return to the penny post," said Mr Norman, an electronics specialist at the Lon-don office of Arthur D. Little, the

Mr Norman founded Direct Business Satellite Systems with three partners: they are Mr Michael Marshall, the Conserva-tive MP for Arundel who is a former industry minister and chairman of the Commons space committee, Mr Johnny Hawkes, a former head of the space division at the Department of Trade and Industry, and Mr Stephen Redfarn, a telecommunications consultant. THE MINISTRY of Defence says requirements for the Difar and it has made savings 'in the order Jezebel sonobuoys, and Dowty 40' of 25 per cent' on the production per cent. Plessey has also won of sonobuoys over the next three the entire order for Bathybuods, which is its own product used in relatively small numbers to mea.

The company's plans depend upon gaining approval from Brit-ish Satellite Broadcasting, the consortium which will operate

Direct Business Satellite Systems proposes collecting mes-sages in electronic form from sages in electronic form from customers, probably via telecom-munications lines. It would then broadcast the data via the satal-lite to small "dish aerials." The service would use satellit

distribution capacity to send the same messages to many different locations. In this way costs could be reduced far below what could be achieved with an electronic mall service based on a conven-tional telecommunications net-

the only product sector in which the MoD follows the common US pattern of maintaining two sources of supply in regular competition. For 1985-87, Dowty won the major contract and Plessey the minor one.

Another feature of recent competitive UK procurement of sonobuoys is that Plessey and Dowty have invested significant amounts of their own money in development and production facilities, both to win UK business and to be competitive abroad.

Plessey has upgraded a factory at Newport, south Wales. while Dowty has built a new plant at Greenford, Middlesex. The MoD has generally encouraged companylied underwater weapon handless. According to Mr Norman, the service would be attractive to organisations such as bookorganisations such as bookmakers, insurance brokers, gas
or electricity utilities and government departments which
send out large quantities of routine messages or letters.

Mr Norman said organisations
would have to pay roughly £100
a year to use the service, with
extra charges depending on the
volume of material sent.
Direct Business Satellite

Direct Business Satellite

has generally encouraged compa-nies to make more private ven-dling and discharge equipment ture investment, but relatively on Royal Navy submarines, and Systems has opened negotiations with British Setellite Broadcasting about using the spare chan-nels, but according to BSB no decision has been reached. few have done so.

In the latest award, Plessey
has won 60 per cent of MoD rines.

Lisa Wood on the overhaul of Scotland's largest Scotch producer

How Guinness shook up Distillers

MORE THAN a year and a half Mr Anthony Tennant as chief ago Guinness, the brewer, executive of Guinness after the acquired Distillers, Scotland's dismissal of Mr Ernest Saunders, largest producer of Scotch whisky.

What has happened since them to sharpen up the Distillers' business has been overshadowed by the steady drip of information ropolitan drinks subsidiary perconcerning alleged financial irregularities in the Guinness of the most successful international drinks marketers.

Changes at IJDG include:

over.

Guinness is putting the finishing touches to a lengthy and radical overhaul of its spirits acquisition, which has been renamed United Distillers Group and takes in Arthur Bell, the smaller Scottch whisky distiller which Guinness acquired in 1985.

Rationalisation has extended

Rationalisation has extended

A push to acquire distributors
throughout the former Distillers
(DCL) business, from the distill.
eries in Scotland to the six elesant offices in control over brand
profits in the highly control over brand of the distributors' gant offices in central London from where the main brand companies such as Johnnie Walker, Dewars and White Horse oper-ated their own overseas sales and marketing teams. This struc-ture resulted in many brands competing against each other.

The old DCL, with its Gordon's and Tanqueray gins, Pimm's and many whisky brands, was like a federation with individual businesses pursuing their own strate-gies under a five-man management committee responsible for co-ordinating group strategy. Other operating committees beneath this were responsible for more detailed liaison:

The result of this archaic structure, a legacy of the group's evolution, was often indecision and lost opportunities. Guinness, only days after it snatched DCL from the clutches of Argyll, the supermarket group, set about a far-reaching review of the busi-

to gain more control over brand marketing and the distributors' profits in the highly competitive international market. Acquisi-tions have included the contions have included the \$293m purchase of Schenley, a US dis-tributor of UDG brands. • The closure of the six London offices and a move of their over-

seas sales and marketing activi-ties to one functional office in The recruitment of senior executives from outside Guin-

With these moves has come a review of the group's hundreds of brands, their relative strengths in world markets and an evaluation of how to market them so they do not compete

In one fairly small but growing European market, more than 15 UDG brands of malt Scotch are sold, which results in a dilution of marketing effort by the group and its distributors. The whole approach will be to

put corporate resources behind a few major brands internation-It has been a lengthy analysis ally," said Mr Anthony Greener, influenced, and interrupted, by several management changes, most notably the appointment of left the group in September.

It is a difficult task involving sensitive negotiations with the remaining independent distributors who still handle about 30 per cent of UDG's sales and, in the past, largely controlled local educations. dvertising.
The accelerating move towards

The accelerating move towards joint ventures is assisting the trend towards greater central control of advertising. UDG is initiating its first pan-European advertising for Johnnie Walker Black Label Whisky, the de luxe whisky, sales of which are seen as underdeveloped on the Continent.

you have to have a common identity for a brand because people travel and you are often dealing with the same consumer."

Directing this overview is a central strategic unit which seeks to be common at the interim stage of Guinness's came with the same consumer. With most of Guinness's competitors such as IDV, Allied-Lyeks to set corporate objectives on brand marketing, new prod-uct development, public affairs and business development.

Mr James Espey, deputy managing director of UDG and responsible for the central unit, said: We have now agreed intersaid: We have now agrees their nally a total group strategy for our portfolio which will ensure lane discipline for our brands throughout the globe. No longer will you see company brands fighting each other. The world is now being organnin

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Interpr

The world is now being organised on a geographical basis with four regional teams responsible for the sales and marketing of a portfolio of brands tailormade for the specific region.

It all looks logical on paper, according to City analysts who have taken a long and sceptical look at Guinness after what was often a near love affair with Mr

often a near love affair with Mr Critical to any success is the more intangible creation of a corporate culture in a business that has been internally dissected as well as buffered by

scandal.
Mr Greener said: "It is easy to draw lines on paper and put peo-ple in little boxes.

"UDG is a large international business, made up of people from the former Distillers, from

Guinness and some from outside We have to get a common under-standing and turn this group standing and turn this group into an effective working unit.
"I'm determined to make this the best-run business in the industry. Otherwise we will get left behind in what is a very competitive industry."

It could be a long hand in a

whisky, sales of which are seen as underdeveloped on the Continent.

Mr Greener said: "The further upmarket a brand is the more you have to have a common ness's financial warr came."

petitors such as IDV, Allied-Ly-ons and Seagram striving for the same objective - increased global sales of their brands -time is at a premium.

EMI to close remaining blank tape operations

EMI MUSIC, the UK group, is have been under pressure from closing down its remaining blank cheaper imports, mainly from tape operations which are based the Far East.

in Winchester, Virginia, in the The company blamed its deci-

loss of 220 jobs in Virginia and 50 at EMI's tape distribution contre in Treorchy, south Wales. The company, a subsidiary of Thorn EMI, the diversified electronics and retailing group, had been trying to find a purchaser or joint venture partner for its blank tape operations, which excess world-wide manufacturals and Telecommunications as opposed to manuals for this Agency, responsible for advising government departments on introducing computer-based services. It will involve installing 30 machines supplied by Olivetti/ terminals in 12 government. AT&T.

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BY DAVID THOMAS

The company blamed its deci-sion on the high costs of research and development persion on the high costs or research and development, par-ticularly for tapes for the new generation of digital players, and excess world-wide manufactur-

Civil Service staff to try out desktop computers

THE CIVIL SERVICE is to experiment with using desktop computers to retrieve departmental documents as it considers further moves towards using screen-based information.
The experiment is being conducted by the Central Computer and Telecommunications

department personnel offices.

The CCTA believes there is great potential for such systems because of the large number of paper manuals in use in the Civil Service. But it says there is little clear evidence of how easily president address of the carrier. workers adapt to using a screen as opposed to manuals for this sort of information.

Legal Notices

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that Noramco Mining Corpora-tion ("Noramco"), Emerald Lake Resources Inc. and Highland-Crow Resources Ltd. have agreed and their respective shareholders have approved, subject to regulatory approval, to amalgamate. Upon amalgamation, the amaigamating corporations will continue as one company in accordance with the provisions of the Company Act

of British Columbia under the name "Noramco Mining Corporation" in its English form and "Corporation Miniere Noramen" The amalgamation agreement

provides that all warrants to acquire common shares in the capital of Noramco which are valid and subsisting on the effective date of amalgamation (the "Effective Date") shall, upon amalgamation, be converted into warrants to acquire common warrants to acquire common warrants to acquire common the converted into the capital convert warrants to acquire common shares in the capital of the amaigamated corporation on the same terms and conditions. As a result, each warrant of Noramco held on the Effective Date will entitle the holder thereof to pur-chase one common share of the amalgamated corporation at the price of \$12.50 on or before July 13th, 1990.

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multiplex equipment.

2. Three digital telephone exchanges and

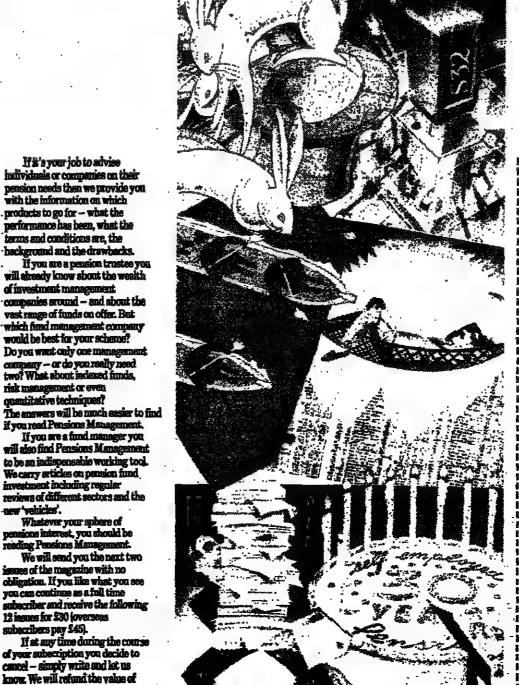
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Tender documents will be issued by the office of the KBO Executive Secretary, Kigali from 17 December 1987 on payment of US \$300 per set of documents. Bank draft should be payable to "Project Telecoms, OBK" account No 9389/050-49, Banque Commerciale du Rwanda, Kigali. The closing date for submission of tenders will be 16 March 1988. Further information regarding this invitation to tender may be obtained from:

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KAGERA BASIN ORGANIZATION TELECOMMUNICATIONS PROJECT

INVITATION TO TENDER

The Kagera Basin Organization, on behalf of the Governments of Burundi, Rwanda, Tanzania and Uganda, proposes to interlink the four States with high-grade microwave radio systems with exchanges at some centres. The funding will in part be provided by the African Development

Pand.

The Project comprises the supply and installation of:
1. Digital and Analogue microwave radio links, including

Member Countries of ADB.

The Executive Secretary, Kagera Basin Organization, P O Box 297, Kigali, RWANDA. Telex - 567 OBK/rw Tel - 84665

Knitwear maker sues for alleged piracy of design

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MICHAEL ROSS, a designer knitwear company, has issued a £1m nesses such as Ross - which has a
writ against Chewan, an Italian pursover of less than £2m - from
knitwear group, for allegedly stealing one of its designs.

Design puracy is a persistent
problem within the fashion
industry. There are frequent
complaints from small clothing
businesses and fashion designers that their designs have been stolen by other companies. Given
the high cost of legal action and the complexity of copyright law,
relatively few cases are taken to
court.

In this instance Ross alleges
that Chewan has reproduced one
of its jumper designs. The original Ross jumper - which features
a repexting pattern of dogs, rabbits and bears - was hand-loosned
in Shetland wool and retails for about £50. The company claims
that Chewan has copied its
design in an acrylic garment selling for a third of the price.

Ross intends to sue Chewan in
each of the countries where the
jumper design has been sold. It

Ross intends to sue Chewan in each of the countries where the jumper design has been sold. It began yesterday by issuing a writ in West Germany.

Generally it is the larger fash-lon groups which take action over copyright infringement.

Chartered surveyors firms to merge

THREE FIRMS of chartered surveyors are to merge, creating a 150 years old, works from Lonnew name in the profession's don and Bristol and has a high top 'ten' and linking offices in profile in planning, rating and the Midlands, central London, minerals, Lindsay R Macdonald, the south-west and the north of Solihull and Leeds, is the England.

The combined partnership will fashion for ilrus providing profashion for ilrus providing profashional services to incorporate.

A to of people are rushing

'A to of people are rushing

'This might, or might not be the
right idea. We don't aspire to a
chester. The firm operates from atock market quotation, nobody's
a traditional industrial base and told me that we're going to sell,
is well-known for estate agency
and both Grimleys and Eve like
and specialist skills in insolvency the independence they have
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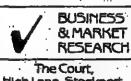
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and specialist skills in insolvency the independence they have
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DISTRICT COURT SOUTHERN DISTRICT WESTERN DIVISION

Case No: C-1-82-978 Judge S. Arthur Spingel

NOTICE OF SETTLEMENT HEARING

An action is pending in the Federal District Court in Crecimanti, Onio on behalf of a class consisting of all per-sons, firms or entities, other than members of the immediate families of the officers and directors of defendant. the officers and directors of defendant Global Natural Resources, PLC ("Global") who acquired the common stock of Global during the time period from June 22, 1982 to September 3, 1982 (the "Class"). A settlement has been proposed which, inter aim, will-destries claims of the Class without prejudent. If you see a member of the class as defined above and did not receive a "Notice of Hearing on Proposed Settlement" plants request a

Robert B. Matusoff Gene Menh Co., L.P.A. - P.O. Box 29973 Christoth Ohio 45229

England.

Grimley & Son and J R Eve, chartered surveyors, said in London yesterday that they had finalised plans to merge and incorporate the quantity surveying practice of Lindsay R Macdonald and Associates.

The combined partnership will send to many with effect from January L will be Mr Maxwell Taylor of Grimleys. He said yesterday that the firms had considered, and rejected the fashion for firms providing professional services to incorporate.

to extend activities

THE LONDON Enterprise
Agency has helped create or save
11,000 jobs in the last eight
years, according to its annual
report published yesterday.

The agency seeks to involve
the private sector in reviving
inner London. Since its launch
in 1979 it has provided business
training for 20,000 people.

Mr John Quinton, chairman of
the agency's advisory council,
said the organisation is committed to developing a range of
inner-city regeneration projects
in 1988.

*LEntA will be utilising the
expertise in business training the
expertise in business training the
expertise in business training and development to apply to
those projects in business training the
expertise in business training and development to apply to
those projects in business training the
expertise in business training and development to apply to
those projects in the outside
world that now need to run on
business lines such as achools,
housing estates and arts projas well as encouraging small
businesses the agency has set up
a burean to bring together invesand small businesses,
encouraging the
expertise in business training
the course of th

Eating out on the increase'

Britons are eating out increasingly often, with the proportion of meals consumed ontside the home expected to reach 20 per cent by 1990, compared with 15 per cent today, according to a report by Moccomat UK, the supplier of beverage systems to the UK catering market.

Figures from a national food survey conducted by the Government suggest the average number of meals eaten outside the home has risen from 3.21 to 3.29 per person per week since 1986.

Paradoxically the number of catering establishments has fallen from the 17th level of nearly 220,000 to just under 383,000, according to Moccomat. It says this stems mostly from a decline in the number of meals esten at work.

The shortfall has been made up by the commercial catering sector with a steady increase in the num-ber of fast-food units, exfes, restaurants and wine bars.

Reasons given for the increase include:

The blurring of traditional meal times.

The increase in childless-couples who have less incentive to eat at home and more disposable

The increase in part-time-or irregular employment.
More than 50 per cent of women working outside the

home:
• The increase in singleperson households.

• An increase in travel for leisure and employment.

The Beverage report. Moccomat UK, Douwe Egberts House, Manor Way, Boreham.

Maurice Samuelson on a battle for control of the National Grid Trying to keep the power of supply

tricity Generating Board is determined it should continue to do so, but inside and outside the technical advisers, consultants industry there are those who are been adjudicate.

ing some in the US, are trying to evolve towards the UK arrange-

superior to those in other countries and point to Japan, where nine power companies and the Electric Power Development Company control transmission via a self-regulating council which there are and measure.

Consumers

THE BIGGEST brain-tenser in make electricity prices more the electricity privatisation "transparent" in the sense that debate is who will control the production costs could be more National Grid. The Central Electricity in the sense that debate is the sense that the sense tha At the centre of the debate

determined to prise the grid have to adjudicate.

The difficulties they face in this are inherent in the way the joint control of both generation grid operates and how it has and main transmission gives the evolved over 60 years. The decision to build the grid was transmission to the grid was transmission to build the grid was transmission to the g and main transmission gives the evolved over 60 years. The deciUK one of the most flexible and secure electricity supply industries in the world. Abandoning of "creeping socialism" — even
it, the board claims, could add
Elbn to the industry's yearly
costs and increase the risk of
blackouts. Sibn to the industry's yearly Conservative Government of costs and increase the risk of blackouts.

In its view, the power stations and grid have been developed as a single entity. Separating them erators in areas supplied with would be retrograde folly at a time when other utilities, including some in the US, are trying to writibe.

ing some in the US, are trying to evolve towards the UK arrangement.

But the board has so far failed to win over sceptics, who are believed to include some ministers. Mr Tony Boorman, deputy director of the Electricity Consumers Council, argues that it would be "extremely difficult to foster competition if the grid is specific in the hands of the CEGB."

Sir Philip Jones, chairman of "super-grid" of 275kV lines. foster competition if the grid is left in the hands of the CEGB."

Sir Philip Jones, chairman of the Electricity Council, the industry's umbrells organisation, talks of the distribution side being able to "influence" the grid's operations, possibly in a joint venture with the generating industry.

Others would like to see the GOOK's lines, which mostly run grid run as a public carrier by a separate non-profit-making concern. They challenge the CEOB's suggestion that the British arrangements are necessarily superior to those in other country on switching stations, the lines interconnect at more than 200 switching stations,

than 200 switching stations, known as sub-stations, where the electricity becomes the respons bility of the area boards. They transform it to lower voltages to

supply the communer.

Originally, most power stations, were satellites of the local distriwhich they own and manage.

Mr Robert Peddie, former were satellites of the local distribution networks, and thus connected only indirectly with the non-profit-making transmission national grid. Today, there are company owned by the distribution companies, says that would per cent of generating capacity is



Sir Philip Jones: possible

integration between supply and transmission gives it the ilexibil-ity to raise efficiency, avoid national breakdowns and enable more centralised planning of

more centralised planning of capacity.

The efficiency of the power stations is maximised by running them according to a merit order, reflecting their individual production costs at any one time. This merit order is orchestrated from the CEGB's National Control of the Parish Parish trol Centre in London, which vidual power stations, the state of the transmission lines and switching stations, fuel deliveries, and weather and demand

The most technical argument for keeping generation and transmission together concerns the need to maintain stability of the need to maintain stability of voltage. If the system is not kept sufficiently magnetised, there is a danger of a serious collapse. To avert this, power stations can be ordered to provide only "reactive" power rather than the series of them that the generating companies might not be given them that the generating companies or information to convince them that the generating companies them that the generating companies them that the generating companies or information to convince them that the generating companies of them that the generating companies or information to convince them that the generating companie

with the commercial interests of the power stations and, the CEGB argues, this system runs smoothly because there is no contractual interface between grid control and power station anagers.
Advocates of splitting the

industry prefer to base their case on commercial rather than operational arguments. They recall that the grid was theoretically opened to private generators by the 1983 Energy Act, But the the 1983 Energy Act. But the would-be private generators claim to have been kept out of the market by the CEGB's failure to offer a sufficiently attractive price for their power. They fear they will do no better after privatisation if the grid remains in the hands of a dominant generating board.

Two possible changes in the grid's status are foreseen. It could be owned by the distribution companies – the successors of the area boards – or by a completely separate company. The Electricity Consumers Council, in a paper entitled The

The Electricity Consumers Council, in a paper entitled The National Grid and the Merit Order, examines these options. Under the former, says the council, competition would be encouraged, promising better long-term efficiency, but prices would be likely to rise, some resources could be duplicated and there might be technical restraints. Security, however, could be maintained.

could be maintained The second option, an indecarry most of the industry's risks. By acting as a common carrier it would encourage comcarrier it would encourage com-petition, but there would be less flexibility in responding to changing fuel prices and supply emergencies. Security of supply might be harder to maintain.

The council says that under this system, the distribution companies might not be given enough information to convince them that the separating compa-

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complain

at service

CONSUMERS ARE increasingly concerned at poor standards of service from shops and other ser-

advertising agency.

The survey was carried out in response to service-sector growth in the 1980s and to changes in

Jackie Dickens, agency vice-chairman, said consumers generally welcomed changes that had occurred in shopping over the past decade.

the past decade.

"But companies which concentrate only on the more tangible aspects of change, such as technology, at the expense of the human element will, we believe, miss out on the biggest profitearner of all," she said.

The survey was based on national interviews and group discussions with consumers. It suggests nine in 10 consumers would not return to a shop where they had received poor service; a similar number said they would go out of their way to get better service, about 70 per cent were prepared to nay per cent were prepared to pay more for good service.

more for good service.

About half of consumers, believed service standards were at best static, a third felt standards were declining.

The UK was perceived as lagging behind other countries, especially the US and continental Europe.

Camera for complaint included:

Unfriendly, ill-informed or over-attentive staff - seen by many consumers as the main reason for poor standards of service.

● Queues.

■ Irritations - such as electrical appliances to which plugs had not been fitted or paying for carrier-bags in mpermarkets.

Many felt they obtained better service from automatic vending-machines. However, seven out of 10 said they would be opposed to totally-automated shopping.

Most survey respondents perceived chemists, banks and building societies as giving good service; supermarkets and post offices were said to offer low levels of personal service.

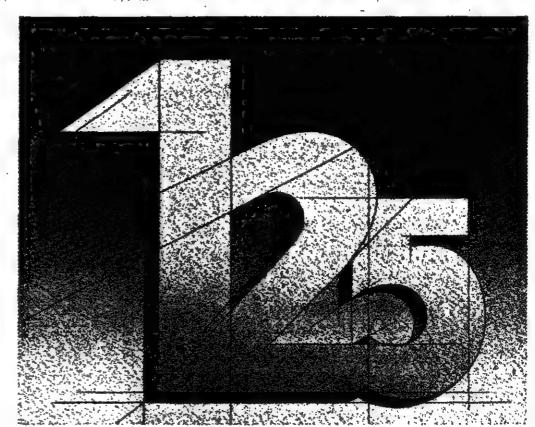
Birmingham airline's results improve By Lynton McLain

BIRMINGHAM Executive Air ways, the private airline based in the Midlands, had a record per-formance in the last three

Revenue came to almost \$2m, ompared with \$1.6m for the corresponding period last year and the airline carried 13,200, passengers on its eight routes.

The airline's fleet of six air-craft carried 4,848 passengers in November, the best month since the airline was formed in 1983. In the 12 months to the end of March last year the airline made a loss of 5984,608 on a turnover

Building the Future.



The Frankfurter Hypothekenbank was established on Stability and made it one of private banks specialised in and fixed-rate

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automotive patents.

Norbrook expects to make its first shipments to the US early

the province's universities and colleges. Norbrook has allocated more than \$1.6m for research

Industry 'fails to match' rate of foreign innovation

BRITISH industry is failing to innovate technologically compared with its overseas rivals, particularly those from Japan and West Germany, says a study for the Department of Trade and Industry.

In each industrial area, the study companies, study compared the UK performance with West Germany, Industries, Glazo, Beecham, and the US and Switzerland's Cibalined in all but five of Geigy.

The one bright spot is a good performance by the UK pharmaceutical industry, which is the only broad sector of British businessed its description. ness to have increased its degree of innovation between 1975 and 1984, as measured by US patent

Or Francis Narin, a US technology consultant who was joint author of the DTI report, described as "disastrous" the record of innovation of the UK

electronics industry.
In this area, the number of UK patents issued in the US declined alarmingly, with their level of quality also being low, according to Dr Narin.

CHI Research, a New Jersey-based rompany of which Dr Narin is president, based its study on a computerised analysis of US patent data. It assembled a picture not only of the number of UK patents in specific indus-trial areas but the number of times these patents were cited in subsequent research, as an indicator of quality and commercial

NORBROOOK Laboratories, the

Northern Ireland pharmaceutical

Northern Ireland pharmaceutical company, yesterday announced an \$8.5m expansion plan which will bring 225 new jobe to Newry, Co Down, by 1990.

Mr Edward Haughey, Norbrook's chairman, said the expansion was a result of multimillion-dollar orders from pharmaceutical companies in the US and growth on the Continent and in south-east Asia.

The company, which makes

The company, which makes veterinary drugs, currently employs 200 people.

the 20 industrial areas covered in

Pharmaceuticals increased its share over this period from 8.2 per cent to 9.0 per cent. The other areas to have experienced a rise in US patents - hydrau-lics, sensors, separation technolo-gies and lasers - all cover, in contrast, relatively narrow busi-

Communications saw its share of US patents fall over the same period from 4.3 per cent to 3.9 per cent; information technology patents declined from 3.0 per cent to 2.4 per cent; while nuclear power technologies expe-rienced the biggest fall of the 20 sectors, from 6.0 per cent to 3.4

UK industry as a whole saw a steady decline in the number of steady decline in the number of US patents, from 2,990, or 4.2 per cent of all US patents, in 1975 to 2,336, or 3.5 per cent of the total, nine years later.

In terms of innovation quality, the study shows a strong performance by several UK chemicals while to decline in decline in the total and Exception of the total

Ulster group creates 225 jobs

port from the Northern Ireland Industrial Development Board, in Investment assistance and mar-

keting, research and develop-

Norbrook's expansion, he said, was part of a pattern of industrial development in Northern Ireland, where there had been more than Sibn of new investment during the last four years

its fight for \$58,781 in back taxes from her earnings. Lucas Industries is the only UK company to score highly in

automotive patents.

The report describes a strong technological challenge from Japan, which increased its share of US patents from 8.9 per cent in 1975 to 16.6 per cent in 1984, with a corresponding increase in quality. "The Japanese are not only growing extremely rapidly in number of US patents, but also taking a leading edge in many of these technologies," according to the study. chanted: "No taxation without

decision, because as a prostitute woman I am not equal before the

The judge said the word "trade" did not have any connotation of lawfulness. There could

next year. Mr Haughey said the company already exported to more than 65 countries.

He said: "Over the past number of years we have worked closely with some of the finest scientists." in the country, both in govern-ment bodies, such as the Depart-ment of Agriculture, and with

Ms St Claire's battle with the Inland Revenue began seven years ago when she failed to reg-ister her business, Personal Ser-vices, as a limited company for

Prostitute loses legal battle over back taxes

MS LINDI ST CLAIRE, a prosti tute, yesterday lost her legal bat-tle to stop the Inland Revenue in

After the high Court ruling, Ms St Claire, 35, vowed to appeal against the decision which, she said, could force her "back on the game."

Along with 20 masked female supporters from the English Collective of Prostitutes, Ms St Claire waved a banner and chanted: "No taxation without

She said: "This is not a fair decision, because as a nevertents

Over the same period, West Germany showed an upward trend in US patents, from 8.5 per cent of all US patents to 9.5 per Deputy Judge Piers Ashworth QC, allowed an Inland Revenu appeal against a ruling in May last year which gave Ma St Claire cent. French patents stayed roughly constant at 3.3 per cent compared with 3.5 per cent, while the US experienced a

The judge rejected Ms St Claire's argument that the tax-man was not entitled to her money as he would be guilty of decline from 64.9 per cent to 57.3 Identifying Areas of Strength and Excellence in UK Technol-ogy. Department of Trade and Industry, 123 Victoria St, Lan-don SW1E 5RB. living off immoral earnings.

Tax was chargeshle on trade, he said. The Inland Revenue could only be said to have acted unlawfully if, in law, prostitution could not be regarded as a

tation of lawfulness. There could be lawful trade and unlawful trade — it was still trade.

He said Ms St Claire was "indubitably" providing services to her customers for payment.

In his view, she was clearly carrying on a trade and was liable to tax on the profits of prostitution.

This announcement appears as a matter of record only

Mr Tom King, Northern Ireland Secretary, visiting the company yesterday, said it was a good example of a business which had benefited from sup-





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The Daiwa Bank, Limited

Citibank, N.A. Bankers Trust Company The Royal Bank of Canada

The Sumitomo Bank, Limited Bank of Montreal Banca Nazionale del Lavoro Banço di Napoli

The Toronto-Dominion Bank The Toyo Trust and Banking Company Limited

International Mexican Bank The Taiyo Kobe Bank, Limited Union de Banques Arabes et Françaises-U.B.A.F.

The Chase Manhattan Bank, N.A.



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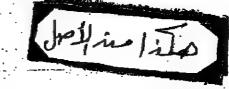


MANDARIN ORIENTAL

Since opening its doors almost twenty five years ago, Mandarin Oriental Hong Kong has become a legend, consistently earning the accolade of "The Best Hotel in the World". Just recently, this honour was again bestowed by the readers of Business Traveller magazine. Exactly what made this hotel a legend is difficult to say. Perhaps

it is the unobtrusive attention to individual service. Perhaps it is its prime location in the centre of Hong Kong with immediate access to major business houses and luxury goods shops. Perhaps it is the superlative accommodation with balconied rooms and harbour views. But one thing is certain, it's again been nominated as the best And that says it all.

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Tory critics fire broadside at Health Bill

nber 8 |9h

MR TONY Newton, the Health Minister, faced a barrage of criti-cism from his own back benches in the Commons yesterday over his bill abolishing free dental and optical check-ups and allow-ing hospitals to raise extra reve-nue through commercial activi-

resterday's report. The Crisis in the Health Service, by the presidents of the Royal Colleges of Physicians, Surgeons and Obstetricians and Gynaecologists, encouraged Tory dissenters to raise the wider issue of the Government's stewardship of the National Health Service during the bill's second reading. However, Mr Newton attacked the Royal College presidents for not understanding the complexity of the health service's problems.

lens.

The Tory dissidents seemed receiving just above benefit levunlikely to respond to a challenge by Mr Robin Cook, the lenge by Wr Robin Cook, the lenge wilder in meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges, and he saked ministers to consistent meeting the proposed charges.

committee stage.

Mr Newton's speech was interrupted seven times by hostile Tories, led by Sir Barney Hayhoe (Brentford and Islaworth), a hoe (Brentford and Islaworth), a former Health Minister, who said he was "sharply opposed" to charging for sight and dental checks. In the light of yester "They are leaving the profession day's report, the bill was "quite superficial and peripheral" to the profession because they are deomoralised." Dame Jill Knight (Edghasproblems of the NHS, which should command the attention of the Evenenus and the disposit of some the Chancellor of the Exchequer tee, said the diagnosis of some and the Prime Minister.

Mr Peter Fry (Wellingborcians offered a poorer quality of

there were many areas of health provision where the Government alone was capable of meeting needs. Mr Jerry Hayes (Harlow)

MINISTERS WERE told to stop quoting statistics about spending on the National Health Service and discuss the crisis it now faces with leaders of the medical profession, writes

medical proteomen, when Ivor Owen.

The call came from Mr Michael Foot, the former Labour lender, in the Commons yesterday during questions about waiting lists for operations and the transforment in Wales. other treatment in Wales. He insisted that it was the duty of ministers to see that "something is done" to meet representations now being made not just by Labour MPs but by the pres-

eye tests to reduce costs and Mr Richard Holt (Langburgh) dis-closed that his diabetic condition

Royal College of Obstetricians and Gynaecologists.

Mr lan Grist, Under Socre-tary for Wales, recalled that Mr Foot had been a senior member of the last Labour Government when the NHS had "stumbled to

He stressed that the extra resources which the present Government had provided was reflected in the fact that the number of in-pa-tients had increased by 84,000 and the number of out-patients by 76,000.

He announced a new scale of

tary transcripts of the pro-

that as a result of the meeting Rear-Admiral Higgins

about the programmes although he wanted more time to consider a complex

was "even more read

The BBC said last might

idents of the Royal College of Physicians, the Royal Colleges' report. "I would not presume to say to the Royal Colleges of Colleges of Colleges of the Royal Colleges of the Ro presidents of the Royal Colleges that they have not grasped the issue. The statement is a damning indictment of the state of our hospitals. He said franchising in hospitals was likely to be typified by a deal he alleged had been negotiated behind closed doors between the Government and a company called Bioplan.

Mr Cook said the deal — which had not been open to tendering.

had not been open to tendering would require health authorities to provide staff, premises and back-up for the company to provide day-care clinics, for which the authorities would pay. He said Bioplan shared directors with the Hessital Corporation of with the Hospital Corporation of

America.

He said the Government would

Richard Holt (Langhourgh) disclosed that his diabetic condition had been discovered in the course of an eye test.

Mr Robin Maxwell-Hyslop (Tiverton) said the Government are allowing for the cost of a check-up, about 2m courses of on the House and the nation to treatment a year would be cheaper under the new scales than they were now. The minister algument that fees for eye and dental checks would not discourage people from taking them was "contrary to what any, person would expect. On what objective evidence is your expectation — which seems so contrary in reason — based?"

Mr Newton said the Royal Colleges' report. "Contained little or no serious discussion of the complex causes of some of those difficulties, for example the nursing shortage." The problems of the NHS were "sometimes reduced to excessive simplicity by some of the statements to the lively discussion on the Government would dental charges and said that, assume franchising income when allowing for the cost of a check-up, about 2m courses of an echeck-up, about 2m courses of on the House and the nation to on the House and the assume franchising income when the House and the House and the House and the House and the Rosel on the House and the Rosel on the House and the House and the Actre for the state of our hospitals. It describes to we are offered this tawdry bill anthorities would lose government to what about putting petrol purpor and the state of our hospitals. It describes an evidence is volument to what a triverne was contrary to what any the relation on the House and the Actre for th

Glasnost demanded on the home front

WHILE MRS Thatcher was at Brize Norton yesterday lecturing Mr Gorbachev about civil liber-ties in the Soviet Union, Labour MPs were in uproor in the Com-mons demanding a little bit of glasnost on the home front.

There was a concerted attempt by the Opposition to represent the Government as a juggernaut crushing the ancient liberties of Parliament and people by obtaining High Court injunctions preventing the BBC from carrying the radio programme My Country Right or Wrong. This featured interviews with past and present members of the

security service.

That verbose legal phrase, The High Court of Purliament, was employed by Labour spokesmen to add gravitas to their pleas to the Speaker, Bernard Weatherill. "It is very important and you are the guardian of the liberties



of the House," John Morris QC, a former Crown Court Recorder and now Labour's chief legal affairs spokesman, told the

Speaker.

Mr Morris carries with him the fusty atmosphere of bewigged courtroom courtesy. But he was soon superseded by the bearded Frank Dobson, Labour's shadow Leader of the House, who looks more and more like an Old Tes-tament prophet come to scourge the Government for its sinful

ways.
There was also a touch of Christmas panto as some of Labour's more colourful characters got into the act. And who better to play the pantomime horse than that well known knockabout couple Andrew Faulds and Tony Banks?

The performance of these two who sit side-by-side on the back benches, has now become so pol-ished that they feed each other

with the touchiness born of his career as a professional actor. Faulds was rather put out when

Faulds was rather put out when one of his colleagues, John Home Robertson, raised a complaint about a Scottish Bill.

Eventually the Speaker, in the festive spirit, called Mr Faulds "as it is nearly Christmas."

"You can see him at Selfridges this week as well," quipped Ranke

Banks.
"I hope this young pup isn't referring to you Mr Speaker," retorted Faulds.
His case was that under the

sweeping terms of the Attorney General's injunction, the BBC to in "bleep" instead of giving the name of that funny chap in a broad-brimmed Aussie hat who appears on our screens every time there is another episode in

the endless courtroom saga of the Spycatcher book.

Throughout these exchanges the Leader of the House, John Wakeham, sat silently on the Government front bench resisting all Opposition invitations to rise and clarify the position on whether the Beeb would be within its rights in publishing any parliamentary reference to past or present members of the

with all this excitement Labour's Tam Dalyell did not have much success when he protested that last Thursday Tony marlow, one of the Tory barrackers below the gangway, had
called Labour Leader Neil
Kinnock "a twerp." The dictionary definition of this term is
"an unpleasant, objectionable,
foolish or soft person (rarely
female)."

female)."
For some reason Tam did not raise the other insult recorded in Hansard for that day when Marlow bawled at Kinnock: "Get on with it you redheaded windbag."
Earlier yesterday day there was an intriguing exchange when from the Conservative benches Harry Greenway mo-

terbury in Crockfords. For one tantalising moment it

out of order. So the identity of the mysteri-

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Labour seeks assurances on BBC reporting rights

Service

P21-525(4)

BY IVOR OWEN LABOUR MPs called for assur-

LABOUR MPs called for assurances in the Commons yesterday that legal action taken by the Government to prevent the BBC referring to present or past members of the security services does not inhibit it reporting proceedings in Parliament.

Mr John Morris, shadow Attorney General, referred to the well known fact that Mr Peter Wright, an ex-Mi5 agent, is the author of the book Spycatcher and suggested that If, through reporting his words, the BBC reporting his words, the BBC were to face an action for contempt of court it would amount to "a grave incursion" into the liberties of the House.

There were protests from the Opposition benches when Mr Bernard Weatherill, the Speaker, refused to rule on a "hypothetical question," but he stressed that there would be a

BP share deals

announced by

Lamont

TRE BBC yesterday gave notice of its intention to appeal to have the injunction preventing the broadcasting of the radio series My Country Right or Wrong set aside, writes Raymond Sanddy.

The Corporation said it had given the required 24-hours notice to the Trea-nery Solicitor that it intended to appeal to have the injunction obtained by the Government last week-either discharged or varied.

The news that the BBC plans to take legal action to try to set aside the injune-

a potential invasion of the liber-ties of the Commons on a scale not previously witnessed this

series as soon as it is legally free to do so came after a two-hour meeting between BBC executives and Rear-Admiral William Higgins socretary of the Defence, press and Broad-casting (D-Notice) Commit-

tion and broadcast the

Mr John Wilson, BBC con-troller of editorial policy and Anne Sloman, producer of the radio series which contains interviews with former MI5 officers, gave Rear-Admiral Higgins more details of those interviews. The BBC did not however give the D-Committee secre-

Speaker, refused to rule on a "hypothetical question," but he stressed that there would be a further opportunity to discuss the matter today.

He also promised: "As far as I am concerned I shall ensure that the rights and privileges of this House are upheid."

Mr Frank Dobson, Labour's shadow Leader of the House, emphasised the deep concern, which he believed was starred by the "quieter people" on the government benches, over what was

been that the purpose of the programmes was to dis-cuss the role of security ser-vices and their political supervision and account-ability and that the BBC was concerned throughout was concerned throughout not to breach national secu-

Mr Morris suggested that the letter written by Sir Patrick Mayhew, the Attorney General, to the BBC following the

charges of inconsistency in its handling of the legal proceedings aimed at preventing the publication of Spycatcher. Or had there been "something substantive" in the programmes the BBC had planned to broadcast?

Mr. Moreis also acked if it was Mr Morris also asked if it was

the Government's considered view that allegations of "illegal and subversive action" must never be published "without first informing the proper authori-

Mr Dennis Skinner (Lab, Bol-sover) contended that as a result of the injunction secured by the Attorney General the BBC was no longer able to discharge its obligation to provide a fair and balanced report of proceedings

in the Commons.

The Speaker said it had never the Speaker said it had never been part of his responsibilities to tell the BBC which part of the proceedings of the House should be broadcast.

Mr Max Madden (Lab, Bradford W.) urged the Speaker to take account of the fact that talk this estimate in the parting and the speaker to take account of the fact that the estimate in the section in the section is the section of the section in the section is the section in the sect

only his action in granting an emergency debate would require the Prime Minister — as the minister with overall responsibility for the security services — to answer the charges that had been made.

Poll tax payment figures for poorest challenged

ELECTRICITY

The Financial Times proposes to publish

the above survey on 25 January 1988

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EUROPE'S BUSINESS NEWSPAPER

Telex: 885033 Fintim G FINANCIAL TIMES

SOME Of the poorest members of society will have to pay at least 25 per cent of the new community charge or poli tax, rather than the 20 per cent claimed by the Government, a Labour MP claimed yesterday.

It is community charge.

It is community charge.

If aced paying a "staggering" 41 the nose; private nursing homes per cent of their total community charge liability. The added: These figures show that the Government's rebate community water charge would be subject to rebates will not that the Government's rebate community charge is a sham. The poorest had been penalized be treated differently and it would not qualify for any they will now have to not solve will be exempt but nursing students will not. Mr Griffiths said that the reason that so many councils had be treated differently and it would not qualify for any they will now have to not solve will be exempt but nursing students will not."

Mr Nigel Griffiths (Edinburgh that the government's rebate community charge is a staggering and the nose; private nursing homes per cent of their total community charge liability.

He added: These figures show that the Government's rebate community charge liability.

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Mr Nigel Griffiths (Edinburgh that the government's rebate community charge liability.

Mr Nigel Griffiths (Edinburgh

BY THE close of business on December 3, the Bank of England had agreed with 263 Investors to purchase for 70p each 72,233 part-paid BP shares issued at \$1.20, Mr Norman Lamont, the Financial Secretary Mr Nigel Griffiths (Edinburgh South) said that ministerial fig-ures provided in response to par-liamentary questions have revealed that even senior citi-Mr Nigel Griffiths (Edinburgh South) said that ministerial figures provided in response to parliamentary questions have sions would have to pay at least have to pay up to £107 commuters on basic retirement pensions will have to pay between 25 per cent and 41 per cent of the Orkney blands council ing, pensioners will pay through to the Treasury, told the Com-mons last night.

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Mr Griffiths said that the reason that so many councils had higher than average rates had little to do with overspending. Ratepayers had been penalised the most for sight years in smeath the most for eight years in areas where the Government had cut back hardest on grants.

If the Government continued to cut, he added, the community

charge would soar just as the rates had done in Tory and Labour authorities alike.

FOOD INDUSTRY

The FT is proposing to publish this survey

Friday 22nd January 1988. For full details contact: MARK JONES on 01 248 8000 Ext 3365

> FINANCIAL TIMES **EUROPE'S BUSINESS** NEWSPAPER

benches Harry Greenway pro-tested about the anonymous attack on the Archbishop of Can-

seemed that Michael Alison, who answers for the Church Commissioners, was going to reply and tell all. But the Speaker ruled it

ou the identity of the mysteri-ous cleric who penned the offending article joins the ever increasing pile of secrets that may never be revealed to the public.

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Why France has become more risquée

Charles Batchelor examines the country's growing, but not universally supported, promotion of the enterprise culture

THE FRENCH may have lent the English their term for an enterprising small businessman - entrepreneur - but for much of the period since the Second World War France was as negligent of its small firms as its ancient rival across the Channel. (\$\frac{1}{2}\$15.3bn) in 1986 was also directly the prest fear ware horsever. In the past few years, however, the French have made a determined effort to foster enterprise. Small and medium-sized busimined effort to foster the mined effort as topped.

These programmes were stopped.

"We realised that our general policies for aiding industry were in fact going only to the big companies," says de Scitivaux. "We decided on a major break in our approach to industry."

The past 18 months, since the government of Chirace redirection of industrial policies.
With the older, large-scale industries under pressure from foreign competition, small firms are recognised as having more flexible managements, of being more capable of adapting to changing demand and of investing where gaps open in the market

Despite the problems they face in raising capital, funding research and gaining access to public sector contracts, small firms achieve a higher level of added value than do large companies. While the level has been under pressure in the recent economic climate, small firms suffered a fall of less than one percentage point to 37 per cent between 1978 and 1985 while large firms lost nearly four

ing support mainly at sectors such as automobiles, steel, chemicals and shipbuilding where large companies predominated. These programmes were also

The past 18 months, since the conservative government of prime minister Jacques Chirac came to power, have seen a host of new measures, many aimed at encouraging new start-ups.

Tax-free investment

To encourage risk-taking, investors are allowed to set against tax up to FFr100,000 of against tax up to FFILO.000 or any losses they make on start-up companies, while from next month – under a scheme similar in some respects to the British Business Expansion Scheme - an investor can make a FFI10,000 tax-free investment in a new



predecessor. The Second Marche was created along the lines of London's Unlisted Securities Market and legislation introduced to encourage venture capital and management buy-outs.

France now vies with the Netherlands for the position of the largest venture capital market in continental Europe with an estimated FFr8bn invested by 76 funds by the end of 1986. The number of funds is expected to increase to about 90 by the end of this year.

The French venture capital market in continental Europe with an estimated FFr8bn invested by 76 funds by the end of 1986. The number of funds is expected to increase to about 90 by the end of this year.

The French venture capital hudstry was given a boost by the arrival of a number of the more innovative Anglo-American funds in the early 1980s. But it remains dominated by the French banks which do not take a "hands-on" approach to many of their investments and which concentrate on development capital rather than venture capital.

Further evidence of change for the smaller firm. "If you want these businesses to be successful they mustn't pay too much more than the larger companies for their funds," he warms.

This awakening of government enthusiasm for small firms has been paralleled by a change in public attitudes towards amall over the past decade has built up a sizeable business man who over the past decade has built up a sizeable business man who revitalising failed companies, is seen by many as the archetypal new entrepreneur. He is credited with popularising the enterprise culture by his prime-time television shows.

Further evidence of change came in the November edition of the French business monthly

rerec a rail of less than one percentage point to 37 per cent.

In some respects to the British of the surface of the surface firms lost nearly four points to 33 per cent.

Just how Important the sector is to the aconomy can be seen from the numbers of small firms.

Just how Important the sector is to the aconomy can be seen from the numbers of small firms.

Section omploids traders, and development and nine people, 146,000 have between 10 and 495 amployees and just 2,213 - under 1 per cent by number - employ more than 500 people. Together the small and medium sized companies account for 66 per cent of the French industrial policies failed to distinguish between the small-to-medium and the large. This ranges from halving locked in French industrial policies failed to distinguish between the small-to-medium and the large. This ranges from halving the surface of the small to medium sized companies to reduce their dependence on bank lends to the size firm. Throughout the 1970s and the early 1980s French industrial policies failed to distinguish between the small-to-medium and the larges firm. Subsidised loans and grants to industry spiralled.

"By 1985 half of all industrial credits were being granted at special rates," notes Marc de Scitivaux, a sentior advisor at the ludinstry Ministry. In that year a face of the present government's socialist.

s. When people call for nesses. When people call for them to be given political priority we must be careful. The smaller company does not live cut off from the general problems of France."

Nevertheless the Patronat has set up a special commission to look at the problems of small companies.

look at the problems of small companies.

Despite the change in mood and the government's determination to reverse the years of neglect of small business formidable problems remain.

The owner-managers of many small companies set up immediately after the war are approaching retrement but a plunge in the French birth rate in the early 1930s has left an acute shortage of experienced men in their 50s to follow on.

The government's enthusiasm

The government's enthusiasm for venture capital and the manfor venture capital and the man-agement buy-out is due in part to the need to secure the success-ful transfer of these companies to younger teams of owner-man-agers. The buy-out has yet to catch on in France, however, and the problem of finding new owners for an estimated 30,000 small firms remains.

owners for an estimated 30,000 small firms remains.

The French are also concerned (like the British) that their education system is not sufficiently oriented to the technical and management subjects required to renew the economy. Efforts are being made to upgrade the training of apprentices but France still looks enviously across the Rhine at West German standards of craft training.

The problems small firms face in competing for public sector contracts are under review too. The government expects to announce a series of measures shortly which will make it easier for the smaller business to win

for the smaller business to win public tenders.

public tenders.

In their efforts to improve the conditions for small business the French show a surprising openness to foreign ideas. The US, Japan, Italy, the UK and Germany have all been looked at closely to see what lessons can be learned.

Awareness is recent

And the welter of activity appears to be having an effect. The rate of new business starts has increased from around 73,000 a year in 1980 to more than 100,000.

than 100,000.

Yet, in the most detailed (and as yet unpublished) government study of the small firms sector, the Industry Minister, Alain Madelin, acknowledges that there is still some way to go.

"Our swareness of the importance of these businesses is of more recent data," he writes.

"Small industrial firms are one of the major trump cards—unfortunately one we do not appreciate enough— of French-industry. We must value this card more highly."



main Nedeud (left) and Lister Vickery: applied for a start-up grant which was abolished while their papers were being processed

Diadem: in the red but still on target

PATCHY, is Lister Vickery's verdict on the French government's efforts to make life easier for the small businessman. The taxman seems to have got the message and made a recent VAT repayment in just 10 weeks but Customs and Excise had proceeded with agonising slowness to clear some equipment needed for a US exhibition.

"It has got better in some places," says Vickery, managing director of DIADEM, which has devised an electronic page make up system which allows the creation of complex displays of colour

complex displays of colour graphics for magazines and

newspapers.
The system was the brain-child of Germain Nadaud, a graduate of Insead, the international business international business school south of Paris, where Vickery is an affiliate professor. Nadand, who is in his mid-20s, and two other students began working on taker idea in 1984 but after a few months called in Vickery to advise and help them write a business plan.

With FFr500,000 of their own money and FFr23m of years of Vickery's earlier years in the venture capital business, the small DIADEM team has been preparing the product for mar-

DIADEM team has been pre-paring the product for mar-ket. The company now employs a total of eight people, including the direc-tors, and is based in St-Denis, an industrial suburb to the north of Paris. Sales of demonstration systems produced a small loss on FFram of tarnover

fact that it is keeping to targets, making regular reports to its financial backers and keeping costs below budget.

In the early stages DIA-DEM took up regional grants totalling FF130,000 to help finance the services of outside consultants. The grants met 80 per cent of the cost of market research in West Germany and helped pay for design work on the system's work station.

The company also applied around the same time for a

The company also applied around the same time for a regional start-up grant but in the two to three months it took for its papers to be processed the grant had been abolished.

Vickery says there have been no major set backs but their hopes that a large French textile company would take the system were dashed when the textile group was forced to restructure and disbanded its creative graphics team.

DIADEM has also run into a common problem for a new company hungry for start-up business — the slowness of potential customers to convert interestin the product into firm orders. "It takes a lot longer to get going than you think," notes Vickery. "Customers may be wildly enthusiastic but they won't sign right away." right away."

Production priorities

SMALL MANUFACTURING businesses employing fewer than 200 people face major problems in managing their production operations but get very little help from government support schemes.

ment support schemes, a recent study reveals.

Typically, these companies, which have lost their early dynamism and settled on a plateau of activity, have small management teams of three or four people. They often lack professional skills yet have to tackle a wide range of problems in the areas of stock, production. quality control and personnel. The individual who has become production or works manager will usually have done so because he or she was the longest-serving or best person on the site but will have had no management

training.
These people do not anticlpate problems but take a pride in sorting out difficulties as they arise without ever being aware that they might be able to work more

might be able to work more effectively.

The people to whom they do turn for help are often unable to provide effective advice. The senior manager or director on site probably suffers from the same limitations as the works manager himself; consultants demand high fees and may lack small business experience; while government agencies tend to deal with the areas for which they have been allocated they have been allocated funds rather than look at the funds rather than look at the company's overall situation. What is needed is for any adviser called in to help to take a broader view, the researchers urge. The business as a whole should be analysed, its defleencies listed and priorities established for dealing with them. Once help has been provided it should be and evaluated. The researchers also sus-

The researchers also suggest the wider use of the sec ondment of students to bring fresh ideas to small compa-nies and of schemes to share experienced outside executives in fields such as quality

control.

The right approach has important implications for employment since small businesses of this type account for half of all jobs in the manufacturing sector, the study

ufacturing sector, the study notes.

"Production/operations issues in small manufacturing business: some problems of plateau companies. Roy Staughton, Warnick University and Sandy Watson and Alan Younger, Haifield Polytechnic.

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Lawrence Taken Anglia Secure Homes for another £1m.

Reuters at a cost of \$2m. Servite
Homes has placed a \$2m contract in Reading has been awarded to Walter Lawrtract for a sheltered housing ence Western by Rockfort Land scheme in London \$W16 and a which will include 22 flats and \$1.7m contract from Newman offices and a \$1.6m scheme for Churches Docklands covers a shop offices and flats in Bristol development in London E6, for ARC Properties. Walter Lawrwhich will include a church, two ence is also in the progress of halls, an office, shop, and youth constructing a £600,000 sports room together with a children's hall at Mariborough College, Wil-

North Sea pump order

MATHER AND PLATT
MACHINERY UK, the newly-acquired division of Weir Pumps, has secured an order to supply crude oil transfer pumps, water injection pumps and associated boosters for the Veslefrikk project in the Norwegian sector of the North Sea. The order was obtained from Frank Mohn A/S, while also supply over \$4m, to provide pump systems for Veslefrikk. Frank Mohn A/S will also supply a same platform to enhance the yield of oil from the wells. The find in the designed, assembled and string tested by Frank Mohn A/S at its Norweonshore from Veslefrikk for the

Paper machine drives

In recent months, ASEA for the drives for a fine paper STEOMBERG DRIVES; Finmachine to be installed in Kymland, has booked a number of mene's Kuusankoski Mill in Finland: At about the same time, machine drives. The total value. Asea Stromberg Drives received these orders is approximately the largest of the supply with a contract for the supply Silm. The orders are primarily associated with three major projects in the Kymmene Group, the paper mill being built by Kymmene's West German subsidiary, donian Paper, at Irvine, Scot-Nordland Papier GmbH, where land. Asea Stromberg Drives will supply the drives for a new coating line to be installed in its Dorpen full digital microcomputer controls and are designed for auto-

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This was followed by an order matic control room operation.

Major computer upgrade

Nuneaton and Bedworth Borough Council has contracted with BONEYWELL BULL for a major upgrade to its computing on the DPS6 Plus computer operations involving two advanced technology DPS 7000 investment by the Council in information technology.

410 (DPS6 Plus) small computer recently launched on the UK market. The contract is worth a long-term strategy for information software, and the squipment and software, and the acid for new DLO software for running on the DPS6 Plus computer to assist with tenders are added reasons for major new investment by the Council in which is contracted as a long-term strategy for information software, and the squipment and software, and the squipment and software, and the squipment and software for new DLO software for running on the DPS6 Plus computer to assist with tenders are added reasons for major new investment by the Council in information technology.

Nuneaton and Bedworth Education and Bedworth Borough Council in software for major new investment by the Council in information technology.

Nuneaton and Bedworth Borough Council in information technology.

\$825,000 including new application softwire.

Nuneaton and Bedworth has been a Honeywell user since as MAFIA, the use of automatic 1982 when the Council installed teller machines for payment of a DPS7 computer, the predecessor to the latest DPS 7000. The office hours, and apackage for need for increased capacity running booking and accounting stems from new housing benefit functions for sports and recrelegislation and a requirement for increased terminal availability and community charge applications are scheduled for implementation in the near term. The

mance which come from twin-first of the new computers is processor operations, the protec-scheduled for installation in May tion of investment to date in 1988. Shopping centre services

The Midlands branch of tion, domestic services, plumb-sulzer (UK) BUILDING SEE.

VICES at Helesowan is undertaking a \$1m contract awarded by Tarmac Construction of Harpenden. It is for the design and installation of mechanical analysis of mechanical available and the contract of the design is the provision of a central available to the contract of the design is the provision of a central case of the design is the provision of a central case of the design is the provision of a central case of the design is the provision of a central case of the design is the provision of a central case of the case of

andinstallation of mechanical electrical services in the new Pescock Place Shopping Centre at Market Square, Northampton. It is a retail development for St. Martins Property Corporation, on three floors enclosed under a glazed roof.

An unusual feature of the design is the provision of a central trail heat pump system serving 15 separate reverse-cycle heat pumps to six condition the malls. Each shop unit also has a flow and return mains to the main heat pump circuit to provide air conditioning under local control The installation includes air Completion is scheduled for conditioning, heating, ventila
Spring 1988.

Protection for ships' tanks

In an unusual international partnership, the cargo tanks of five new 40,000 tonne product carriers have recently been coated with Camrex tank linings in a contract worth more than \$1.5m.

The vessels, designed as all-cargo tankers, are operated by Greek and Yugoslav companies Four of the ships were for the Varnarima Corporation of Greece and the other for the Yugoslavian State Tanker Company, Yugo Tankers.

They were all built and coated at

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206	195	Ass. Brit. lad. CDLS					43	
		Armitage and Rhodes	31	-1				
		BBB Design group (USM)	55		21 -		8.8	
		Bardon Greep		+1				
186	95	Bray Technologies	143	-2			11.4	
283	130	CCL Group Ordinary	260ml	0			6.9	
147		CCL Group 11% Cost.Pref	235 .		15.7	11.6		
171		Carbonisdom Ordinary	136	-1	5.4		118	
204	91	Carbonardom 7.5% Pref	304	G				
- 180	87	George Blair	144	+1	3.7	2.6	3.7	
		Lets Group	76	-1				
		Jackson Group	92.65	+1	3.4	3.7	10.1	
780		Molthouse NV (AmetSE)	310	-35			123	
68		Record Holdings (SE)	63	-2	0.1		12.7	
115	-	Record Hidgs 10% Pref (SE) :	. 10B	Ō	141	13.1		
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72	32	Trevito Holdings (USM)	47	3	2.8			
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ted (SE) and (USM) are dealt in subject to the rules and regula

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ITC copy documents are unprotected

House of Lords (Lord Bridge of Harvich, Lord Brandon of Oakbrook, Lord Griffiths, Lord Oliver of Aylmenton and Lord Goff of Chieveley): December 3 1987.

OWNERSHIP of documents transmitted to third parties by ITC employees in the course of their employment passes to the recipient unless the employee acted without actual or estensible authority; and accordingly, such documents are not inviolable as part of the ITC's archives, but may be admissible as evidence in iegai proceedings.

The House of Lords so held The House of Lords so held when dismissing an appeal by the International Tin Council (ITC) from a Court of Appeal decision as to the inviolability of copies of ITC documents proposed to be used as evidence by both sides in an action by Shearson Lehman Bros Inc and others, against Maclaine Watson & Co Ltd and others.

LORD BRIDGE said that an action arising out of the collapse of the ITC commenced before Mr Justice Webster on June 8 1987. The plaintiffs were sellers and the first two defendants were buyers of tin under a contract entered into before the collapse,

that a number of documents, pro-a third party in connection with posed to be adduced in evidence, ITC settlement negotiations after were rendered inadmissible by it became unable to meet its article 7(1) of the International debts.

The objection to production of the documents was opposed by all parties to the litigation. On June 29 Mr Justice Webster, deferring the question of admissibility of evidence, gave a number of "rulings" on questions of law. Neither side was content with those rulings, and both

appealed (see [1987] 2 FTLR The Court of Appeal made no order on the appeal or cross appeal. No doubt the intention was that the matter should go back to Mr Justice Webster, leaving him to extract and apply the propositions of law to be found in the Court of Appeal judg-

For purposes of the present appeal the parties set out 13 agreed assumptions of fact which included:

1. As ITC' document was sup-plied to a third party with or without ITC consent by an ITC member, its representative or its

adviser.

2. An ITC document was supplied to a third party by an ITC officer or employee with actual or osteasible authority, or without any authority. 3. The document was supplied to

into before the collapse.

The ITC obtained leave to the ITC's financial position. Intervene in the action, to claim

4. The document was supplied to

SHEARSON LEHMAN
Tin Council (Immunities and BROTHERS INC AND AND ANOTHER V MACLAINE WATSON & CO LTD AND OTHERS, AND INTERNATIONAL TIN COUNCIL
Tin Council (Immunities and Privileges) Order 1972.

Article 7(1) provided: "The categories in the assumed facts depended on authority.

The central question was whether a document to another in the authority to do so.

To rebut the inference from

Mrs Higgins for the ITC argued treated as distinct from its mem-That was conclusively refuted,

for present purposes, by article 14(1) of the 1972 Order, Article 14(1) provided that "Except in so far as... immunity is waived by the... member country.... repre-sentatives of member countries... shall enjoy... (b) while exercising their functions... the like inviolatheir functions... the like inviola-bility for all their official... documents as is accorded to the head

of a diplomatic mission". The phrase "all their official papers and documents" related to documents of the member country. It was the member which enjoyed inviolability, not the

It followed that once a document had been communicated by the ITC to a member or its representative the article 7(1) protection ceased to apply.

The documents in category I of the assumed facts ITTC memb their representatives or advisers' were therefore not rendered inac-

municated to constituent memthrough an agent, there was no
might be acting without authorters or their representatives.

Mrs Higgins for the ITC argued should not be drawn in respect of
It was beyond argument that an

so no longer enjoyed inviolability as part of the official archives. question was whether a limita-

tion on actual authority prevented the document becoming the property of the recipient not-withstanding he was unaware of any lack of authority. In the real world, business would come to a standstill if per-

sons who received documents from clerks or secretaries, acting in the course of their employ-ment, were not entitled to assume that those documents were sent with the employer's

If that were true of the optentible authority of staff in such humble grades, it must be equally true of staff at higher levels. Thus the very fact that an ITC employee was acting and known

"belonged to" the ITC.

The ITC submitted that all documents relating in any way to its business, which originated within the ITC and belonged to the recipient.

To rebut the inference from that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference from that prima facie evidence it would be necessary not only to ordinary inference from that prima facie evidence it would be necessary not only to ordinary inference from that prima facie evidence it would be necessary not only to ordinary inference from that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be that prima facie evidence it would be necessary not only to ordinary inference must be necessar the ITC, retained that character In the case of a body such as tion, sufficient to put the recipiumimpaired when they were com-

It was beyond argument that an that in the conduct of its internal any communication which its affairs the ITC could not be agent had authority to make. Accordingly, a document com- sure him of the financial stability municated to a third party, by an of the ITC, or to conduct negotia-ITC officer or employee with tions for a settlement [categories actual or ostensible authority, no 3 and 4 of the assumed facts], longer belonged to the ITC and so no longer enjoyed inviolability as part of the official archives.

must thereby have been clothed with ostensible authority to supply any documents to the third As to estensible authority, the party which might assist in prom-

oting the authorised purpose. The protection which article 7(1) provided was expressed by the word "inviolability". An infringement of the protection must amount to violation of the protected documents

It would surely be a misuse of language to say that a protected document had been violated because an ITC officer supplied it to a third party without authority, unless the recipient was or ought to have been aware of the absence of authority.

The inviolability conferred on the archives and documents of a diplomatic mission could not have been intended to protect the mission from the consequences of to be acting in the course of his must errors.

Concessions by the parties excluding dishonesty, loan, bailment or agency as the basis of the original transmission to any third parties necessitated the assumption that the original transmission, whereby all the remaining categories of documents passed out of ITC possession and con-trol, was effected by ITC employces acting in the course of their

That led back to the conclusion that in every case the determina-tive question was whether the original communication was auraborised.

Those conclusions seemed to go a long way towards shutting the door on the ITC's claim to exclude admission of the docu-ments. The only live issue which seemed to remain for decision by Mr Justice Webster was whether any particular document was communicated without authority,

The appeal was dismissed and the cross appeal allowed. The matter was remitted to Mr Justice Webster to determine the admissibility of the disputed documents. Their Lordships agreed.

For the ITC: Nicholas Chambers QC, Rosalyn Higgins QC and Peter Irvin (Cameron Markby).

For Maciaine Watson and other defendants: Sydney Kentridge QC, John Higham and Adrian Hughes (Allen & Overy, Clyde & Co and Linklaters & Paines).

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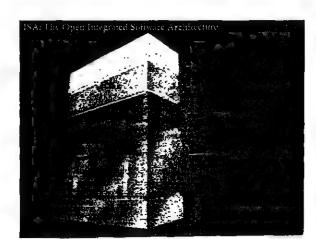
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value per share amounted as of November 30, 1987, to US\$ 414.15

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Company Notices



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FF 600,000,000 Guaranteed Floating Rate Notes Due 1993 adth warrants to acquire by exchange or purchase up to ITF 600,000,000 7 %% Guarantaged Bonda due 1893

In accordance with the description of the Notes, notice is hereby given that for the interest period from December 7, 1987 to March 7, 1988, the Notes will carry an interest rate of 81 % per annum.

The interest payable on the relevant interest payment date, March 7, 1988 will be FF 221.18 per note of FF 10,000 nominal and FF 2,211.81 per note of FF 100,000 nominal.



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MISR PRIANCE (CAYMAN) LIMITED UB\$60,000,000 GUARANTEED FLOATING RATE SERIAL NOTES DUE 1989

The interset rate for the at month period commencing 8th December 1987 has been fixed at 5955.

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NOTICE IS HEREBY GIVEN that the Tra Books and registers of Members will be CLOSED on 21st December, 1987 only. By Order of the Box J D Loveridge. Secretary

Personal

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Interested perties should contact the Joint Admin-

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4

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 A pumber of significant transhise arrangements may be available Rented premises

For further information plasse contact R. J. Rees or A.C. Tyler at Price Waterhouse, Southgate House, 61 Millianne Lass, Laicester, LET SQA. Telephone: 0533 531981. Telex: 541494. Telecoper: 0533 522697. Price Waterhouse

LUXEMBOURG As of November 30, 1987.

392,06 per share of US\$ 50 per value. The consolidated net asset

on November 30, 1987.

Clubs

CORRECTION

NOTICE

CREDIT LYONNAIS

US\$ 300,000,000 Floating

Rate Notes Due 1995

Please read twice May 31

1988 instead of May 30, 1988 in the notice published

FINANCIAL TIMES



This Scottish New Town is still growing and the community is now able to stand on its own. The ability to

attract and develop industry, and so provide modern jobs, is backed by keenly-priced housing. Report by Robert Waterhouse

Inviting the market in

investment the running is now being made by the private sector. knew. Scottish New Towns enjoy a "No privileged national status because, over the years, they have brought better living condi-tions and the hope of modern jobs to an area losing most of its

staple industries.
Cumbernauld, like other New
Towns, has known success and
failure. But the balance sheet
shows 15,000 jobs to the good. As it heads towards what the Scottish Office calls "wind up", Cumbernauld Development Cor-Cumbernauld Development Cor-poration is busy inviting the market in. The town centre was recently sold off to Dollar Land for an undisclosed sum; corpora-tion-built housing is increasingly owner-occupied, while nearly all new-build housing comes from private developers; a \$40m deal promises a luxury hotel and housing beside a championship golf course.

golf course. In effect, the development cor-poration has become a land bank with streamlined planning powers and good contacts at the Scottish Development Agency. Now the community can stand on its own without a need to

touch forelocks to the lairds at the Big House (local patois for the development corporation's elegant period HQ). That view

CUMBERNAULD IS Scotland's tenth largest town, bigger in population terms than Stirling or Perth. It is still growing, thanks to a strategic position half-way between Clyde and Forth, plenty of development land and fresh commercial impetus.

After three decades of public layestment the running is now that people didn't matter - we

"Now that can't be right 30 years on. It may be time-consuming, irritating and boring but it's better to consult, get a view, take people with you. If we're setting

out to encourage a more bal-anced community, we must treat people with respect."

Mr Anderson and his team are hardly on the defensive. The cor-poration has run a successful awarness campaign in the Scutawareness campaign in the Scot-tish media which marks a

Using children to underline the message of "A new generation", the campaign has helped raise morale in the town. The slogan fitted because Cumber-nauld has the youngest average age (31) of any Scottish town.

nauld has the youngest average age (31) of any Scottish town.

On the jobs front, Cumbernauld such as Oki (who have taken such as Oki (who hav



Cumbernauld

ability to attract and develop, lacks. The idea already has one industry. At an international enthusiastic adherent in Oki's Mr level, it is just one sheet of a Hiroshi Kojima, who says he portfolio offered by Locate in would like to build a Japanese Scotland, the SDA's inward garden at the hotel. investment bureau

Style or no, existing overseas Cumbernsuld is beginning to companies such as JLG Industries, who build mobile hydraulic

tion has shown an understand-ing of the needs of both start-up companies like Ecosse Medica and fast-growing, well-estab-lished firms like Edward Macbean, both discussed in this sur-As somewhere to live, Cumber-

nauld offers a range of keenly-priced new housing comparable with other central belt locations.

with other central belt locations.
Where three years ago just two
developers operated in the town
there are now a dozan.
However, most housing sales to
date have been by the development corporation to sitting tenants. About 5,500 former tenants. have become owners, bringing the town's owner-occupation

has no God-given right to survival once it is no longer useful.

The corporation is a developer, not a manager. But Cumbernauld still has a lot of growth potential which no doubt will be considered when the Scottish Office makes its planned review of New Towns at the end of the shortly after he won the seat shortly after he won the seat sent years ago. He says: "The community has a strong identity. People enjoy living in Cumbernauld still has a lot of growth "Education provision is excellent, as is recreation, and there's access to real countryside. Almost all who settle here say the will never leave." Office makes its planned review Almost all who settle of New Towns at the end of they will never leave."

FIFE Cumbernauld

A sense of identity

A LINGERING memory of Gregory's Girl, filmed in Cumbernauld, is the town's interminable dual carriageway. These miles of highway carry a 50mph speed

Cumbernauld's spagnetti junctions all bear names - such asJane's Brae. Condorrat or Craiglinn interchanges. There are no
traffic lights in town - as Mr
J.M.Simpson, a CDC board member and resident since 1959
proudly points out, you can
drive to inverness or London's
North Circular Road without
meeting one

Communications - that means mostly roads - take up about 15 acres of land in the designated area, almost three times the space given to schools and nearing two thirds the amount given to industry.

putting a date on that is any-body's guess. "You could play the formula until after I've turned up my toes." Mr Ander-son suggests. But more seriously, he agrees that his corporation

1989. Meanwhile, progress involve harmonious cooperation with Cumbernauld and Kilsyth Dis-

if you have use of a cat, nowhere in the town is more than 10 minutes away. The majority don't: in 1986 45 per cent of Cumbernauld's households were not car owners. This figure helps to explain the sense of community which flourishes in Cumbernauld almost despite the roads and the concrete architecture of the Fifties and Sixtles.

Most of the town's early population came from Glasgow. Some 60 per cent of households still have origins there, though Cumbernauld itself now claims 20 per cent (compared with nine per cent in 1975) and is way ahead of any other location. And 55 per cent of New Town residents have lived there for ten years or

The ties with Glasgow go back way before the New Town to wartime evacuees from Clyde-

Cumbernauld's MP, Mr Norman Hogg, moved into the town shortly after he won the seat eight years ago. He says: "The community has a strong identity. People enjoy living in Cumbernauld."

Education is the responsibility of Strathclyde Regional Council while the district council doubles with CDC in supporting leisure and recreational activities.

In addition to the multi-purpose Tryst Centre, the town soon will have an international-stan-dard ice rink. All three authorities joined together to back the latest community centre, a \$300,000 hall at Balloch/East-field, the area where most of the new private houses are being

Longer-standing districts each have three or four community halls filled every day with myriad activities. Cumbernauld Theatre offers professional facilities. to local drams groups and visiting companies.
What seems harder to build

into New Town life, even after 30 years, is the variety of organic communities. The point is illustrated in Combernauld by the village which gave its name to

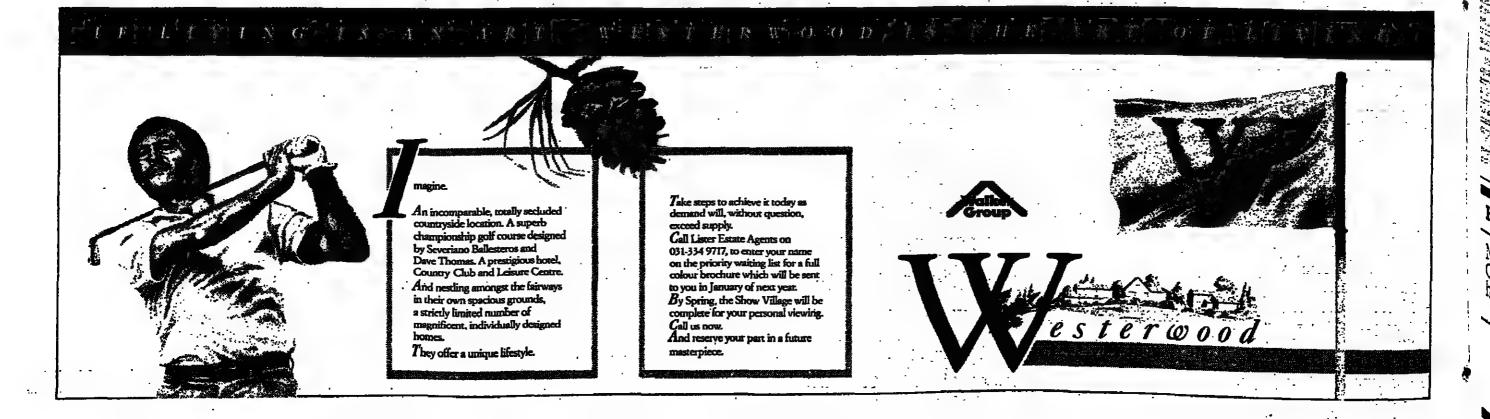
the town.

Here, if you can make the correct turn off the dual carriageway, you're suddenly in a typical Lowlands main street with its stone-faced buildings, its banks and bars, its butchers and late-opening general store. Cumbernauld village, popula-tion under 2,000, has more shop-

ping outlets employing more people than Abronhill, the dis-trict centre serving a population of more than 10,000. Residents use the excellent road system to visit the village from across

To





CUMBERNAULD 2

EMPLOYMENT IN Cumbernauld. Recent investment by incoming and existing companies is increasing the town's spread of businesses like the town itself, was heavily dependent on central provision and traditionally built around two major sources: the Burroughs (lutterly Unisys) adding machine plant; and the inland Revenue Service collection

Unisys closed earlier this year after a long randown period. Worries about the staffing effects of computerisation continue at IRS. But recent investment by

IRS. But recent investment by incoming and existing comparations both balance up job losses and create a more varied portfolio in the New Town.

The highest profile arrival is lock, Japan's third-ranking telecom manufacturer, with a \$1.5bn turnover worldwide. Oki starts producing its range of computer printers this month, Northern France, the Dusseldorf operating from the former Unversions of the European market, which is growing by some ten per cent annually. The task facing Mr Hiroshi kojima, who heads the Cumbernauld facility, is to increase Oki's market abare beyond 20 per cent of the European market, which is growing by some ten per cent of the European market, which is growing by some ten per cent annually. The task facing Mr Hiroshi Kojima, who heads the Cumbernauld facility, is to increase Oki's market abare beyond 20 per cent.

His company, he says, hoked round Europe for five years before picking Cumbernauld. Northern France, the Dusseldorf operating from the former University of the European market, which is growing by some ten per cent annually. The task facing Mr Hiroshi Kojima, who heads the Cumbernauld facility, is to increase Oki's market abare beyond 20 per cent.

Starts producing its range of before picking Cumbernauld. Northern France, the Dusseldorf operating from the facility and the company and the company and the facility and the company and the facility and the company and the company and the facility and the company and the facility and the company and the company and the facility and the company and operating from the former Uny-

The swift changeover represents a strong psychological boost for Cumbernand, with 240 jobs expected by April 1988 and the prospect of a further 130 in the medium term. Healthy jobs rise as factories gear up

Like other Japanese companies the scene was becoming too in the Scottish New Towns, this crowded. Mr Kojima liked the is Oki's first step into European manufacturing Oki claims about 15 per cent of the European maropenness of Cumbernauld com-bined with the resources of Sili-

His company, he says, looked round: Europe for five years before picking Cumbernauld. Northern France, the Dusseldorf area of West Germany, and the tion has set aside a couple of UK were all thought to have a "closes" in the town's newly comparatible infrastructure Spa.

Oki preferred the look of the But Mr Kojima sees this as a Welsh sub-contractors but felt short-term measure. The ten per-

con Glen.
Despite Oki's thoroughness, Mr
Kojima admits to the sort of sentiment which often tips execu-tive decisions one way or the feeling," he says.
It is a response which has been

comparable infrastructure. Spo-ken English won the day for the UK then the choice narrowed to Wales or Scotland.

They have their own chef. where 30 key workers sent from Japan are sharing apartments. They have their own chef.

Housing

Worry for the young

SOME TIME soon. Combernatule Development Corporation is expected to aunounce that more than 50 per cent of homes in the town are in private ownership.
It will be a landmark for Scottish New Towns, and wey above the average for Scotland as a

whole. Rapid growth in home ownership comes more from the development corporation selling off its housing stock, and from developers selling rehabilitated corporation apprenents, than it does from speculative house-building

Last year the corporation sold 500 rented homes to stiting ten-ants. Revenues from these sales financed a \$1.5m renovation programme of its remaining housing

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The only new-build allowed is in special needs areas. The pic-ture has totally reversed since the early days of the New Town: figures show that more than 9,000 homes were built by the development corporation between 1958 and 1971 before the private actor sold one house in the designated area.

This drastic change reflects present government policies as much as Cumbernauld's popularity with home buyers. Despite the fact that asking prices for rehabilitated apartments are very reasonable - the corporation is offering fully-equipped one-bed homes at \$18,000, together with "help up" inducements -many tenants can expect never

agers; many involve people seeking homes of their own.

With an average age of just 31, Cumbernauld has a high proportion of growing families. The worry is that they, the young people who know nothing but Cumbernauld, the Gregory's Girl generation, will be driven away just at the point that the town has urganic life of its own.

There is no doubting, however, the interest in the private property market. After years when its proved impossible to attract a single developer to the town, ers; many involve people



Cumbernauld has eleven or along with intercom security. The result, renamed Parklands, is proving highly popular.

The development corporation's So, too, is the development corporation's

policy is to approve five-acre parcels: if the developer sells well he comes back for more. That way nobody builds up a land bank. Prices in Cambernauld's new

estates compare with others in the Central Scotland belt. For example, Barratt Scotland's run from \$25,900 to \$47,855 at Craigalbert View, Belloch; Wimpey have a range from \$31,645 to \$40,100 at Forest Walk; and Walker Homes, the concern. many tenants can expect never to have the wherewithal to buy.

More seriously, with a dwindling public housing stock, what happens to couples who want to set up home on a low income or unemployment benefit?

Mr. Norman Hogg, Cumbernauld's MP, says the majority of his surgery problems concern housing. Some relate to the corporation's role as housing managers; many involve people seek.

behind the Westerwood golf walkway connecting the securist with the town centre must open. This balloch, has homes at Loganmaine Estate, Belloch, problem incidents, but security improved and the ration's properties began to block-by-block rehabilitation of his surgery problems concern housing. Some relate to the corporation's role as housing managers; many involve people seek.

1960s. won awards in its time fo

So, too, is the development cor-poration's own rehabilitation of portion a own remainistion of the massive Carbrain estate. This, although built as a series of, closes, also fell on hard times. The corporation has a well-de-veloped programme of improve-ment and selling to tenants or others from the housing list.

Here again, good security is a top priority for residents. initially, private developers showed no interest in Carbrain. The corporation planners insisted that the main elevated

walkway connecting the scheme with the town centre must stay open. This had been the scene of problem incidents, but after security improved and the corpo-ration's properties began to sell. Beazer Homes took up the run-

ning.
Mr David Anderson, the development corporation's chief executive, emphasises the care now

Westerwood golf course

Top-class challenge

not the issue. But the New Town Balloch area of the town. After a

enthusiasm of a celebrated Spaniard, and the remains of a Roman fort.

The Be of the land at Wester-wood was first recognised by Mr Donald McLean, the development corporation's commercial director. He had recently lesteros who admits to be returned from duties at Northampton, and was walking in woods acquired from the Forestry Commission.

Mr McLean enjoyed the site's reserves a special place in his upland beauty and its views affections for Scotland as the game's home.

A Scot and a golfer his mind turned to one thing Although it director of the Livingstone-based took time to germinate, the idea make sense to the development corporation.

Complete first championship course built in Scotland for many a year, a challenge perhaps to Gleneagles, and will also have a nine-hole par three course for fin.

This is the first time that Bailestero, who admits to be serving an apprenticeship under the first championship course built in Scotland for many a year, a challenge perhaps to Gleneagles, and will also have a nine-hole par three course for fin.

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This is the first championship course for fin.

This is the first true that Bailestero, who admits to be serving an apprentice, and will also have a nine-hole par three course for fin.

This is the first true that Bailestero, who admits to be serving an apprentice, and will also have a nine-hole par three course for fin.

This is the first championship have a nine-hole par three that Bailestero, who admits to Guerral the first championship have a nine-hole part have a nine-

corporation. package.
Cumbernauld had no lack of Walker Homes had built and recreational facilities - that was sold several small estates in the

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MOST NEW TOWNS count themselves lucky to list a golf course within the designated area. Cumbernauld offers two and will shortly have a third, of potentially championship class.

The story of how this came about involves a \$40m deal with a man who doesn't play golf, the enthusiasm of a celebrated Spantage and the remains of a course built in Scotland for legged third hole around the site. Players will negotiate the dog-legged thirst hole around the site of Westerwood Fort helders

of Westerwood Fort before crossing the wall line to shoot the fourth and fifth.
Other constraints include canyon left by quarrying, used for holes 15 and 16, as many of

the mature trees as can be retained, and American-style executive housing both around and within the course. and within the course. If is an ambitious setting for a testing course, with a 500-metre par five and several long par fours. So difficult, indeed, that tees will stretch up to 100 metres to accommodate ordinary mos-

The course architects expect to the course architects expect to be still on target for opening events in Spring 1989, with Bal-lesteros hitting the first ball. Walker Group, using their own construction teams, have made good progress in difficult condi-tions. But experience suggests that it may be four or five years

that it may be four or five years before Westerwood comes into its own. By then, with luck, most of the housing will also have been built.

An announcement on the hotel, the development corpora-tion's prime objective in the deal, can be expected early in the New Year. It will be of fourstar standard, with an initial 50 beds and is seen as a focal point for Cumbernauld's business and

At present, there is a very lim-ited amount of overnight accom-odation available in the town. The developers are building a show village of house types at the site entrance. Homebuyers will gain a priority placing on the golf club membership list.

manent Japanese staff who Rutige group, took the decision the town, shows the increasing cialists. When CDC attracted JLG remain once the factory is established will be expected to inte- Germany during a downturn Ecosse Medical is pushing into company's European manufacturing the local community.

Once with the local community.

grate with the local community.
Once production is established. Oki intends to manufacture its

Orders put the company's

The swift changeover represents a strong psychological boost, with more jobs expected

to customise its European product ranges, including a major
move into non-impact printers.

Mr Kolima is released about the Glen activity. Even so, the trainthe strength of computer sci-ences at Edinburgh University," Mr he says. Oki looks forward to expansion at Cumbernsuld via bre

Just down the road in Ward-park North, Isola Werke, the West German-owned manufac-turers of printed circuit board bases, is already considering installing a second production A much smaller Scottish com-line. Isola, part of the giant pany, also newly-established in

complete printer range at Cum-\$10m rebuilding of a former carbernauld. Up to 75 per cent of pet factory under some strain, components will be sourced in But, says Mr David Heywood, the Scotland, a high figure for technical manager, all schedules inward investors. Then Oki plans were met, with the authorities

R & D input: "I'm impressed with ing period for operators is six the strength of computer sci-months.

Mr Heywood admits to some problems finding the right cali-bre of staff. About one in 20 applicants joins the workforce of staff. About one in 20 applicants joins the workforce of 90-plus. Isola's Cumbernauld plant, built principally to supply the UK market, meets the SDA's objectives of improving Scotland's electronics infrastructure.

an American-controlled market turing base, the combination of for heart-lung bypass support expert labour, reliable steel supplies, and good container services kits used during surgery.

Its managing director, Mr Bob Cumming, a Glasgow microbiol-ogy graduate, spotted a partial-ly-developed US product which he started work on from his front room. He and his partner negotiated loans from British Coal Enterprises and the ECSC to help fund a clean room in the Deersdyke View advance factory unit where they now employ a

Sales of \$250,000 last year were small beer in a \$42m world market, but Ecosse Medical exports 70 per cent of its prod-

Business is going extremely well," Mr Cumming says. Orders run six weeks ahead, and the company is set to expand its product range. In an area where reliability is everything. Ecosse Medical deploys one person in quality control for every two on the production line.

Local commitment could well be the salvation of JLG industries (UK), the British arm of the US mobile access platform speone-person operation. Rangelift is already being used by authorities in Bologna for cleaning buildings and in Norway for access to rock faces. Ministry of Defence quality certification is important to JLG

which supplies bases in Scotland and elsewhere. It is a prize that Mr Jim Hunter, managing director of Edward Macbean, turned into a PR triumph when Mr George Younger, the Defence Secretary, came to open Macbean's new Cumbernauld factory this autumn. Mr Younger was photo-However, recession in the oil and graphed wearing its MoD-ap-construction industries hit JLG's proved camouflage jacket

Macbean specialises in protective waterproof outerware for public service use, and recently secured a £750,000 Post Office

have to diversify from its staple product of self-propelled tele-Mr Hunter and his partner, Mr John Maley, the production director, acquired Macbean in a complicated management buyscopic access platforms. JLG's Scottish management team began to develop ideas for a new range of hydraulic booms aimed out from a holding company earat interior use in breweries, hanlier in the year. The deal involved moving the factory gars, shopping arcades and so on.
Detailed design took place
back in the US before manufacfrom Kirkintilloch to the New Town. The development corpora-tion sold Macbean a 25,800 sq ft ture started at Cumbernauld. The result, says Mr Bill Astley-Jones, J.G's marketing director, refurbished unit for a bargain £360.000.

In exchange, of course, Cum-bernauld gained 130 jobs.

is a wider platform range than competitors and a move from a predominantly UK marketplace to Europe and beyond. Concentration on quality has The company's renewed confidence is shown by the introduction last month of Rangelift, a led to orders from 41 police forces, some 20 county councils, and the Forestry Commission. Macbean is also firmly estabroad vehicle with cab, ground and platform controls allowing lished in protective leisureware for angling and sailing.

There's a place that's really in the pink!

What's it Called ?

swelled the workforce to 140.

During 1984 the workforce dropped to about 100. It became

clear that the company would

road vehicle with cab,



benefits of setting up in Cumbernauld, Scotland's liveliest town.

Indeed, last year, nineteen of them were so flushed with new business they moved to bigger But considering Cumbernauld's unique

focation, the success is only natural. For a base servicing the Scottish, UK and International markets - by road, rail, sea and air - our communications are unbeatable.

And our open and enlightened attitude to building business continues to attract success.

superb range of incentives and an enthusiastic Development Corporation ready to advise, guide and assist on every aspect of making the town your new home.

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NEW GENERATION

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There may be equivalents but there are no equals.

SELKIRK Chimney System

which involves the use of an

accumulator to store braking force for re-use during accelera-tion, has been applied both in

the HSCC suspension system and in new bus designs.

Aikawa says MHI is now work-

Alkawa says Min is now working on a prototype 500-gross ton HSCC vessel, capable of carrying 300 passengers. These specifications represent one of the most popular design formats for ships plying Japanese coastal waters, and a large potential market is foreseen.

The construction cost for a

HSCC is currently at least twice that of a conventional craft of

market is foreseen.

prises a 5-ton, 12-passenger has been less than one-third of capacity, cabin supported upon that in the conventional lower a 12.7 meter, 17-gross ton cata-sections of the boat. The

Advancement

Twin hulls chosen for added stability

Bendix/King unit performs a similar function, telling the aircraft with TCAS of other

potentially dangerous traffic in the vicinity.

CONVINCING ENGINEERS

Nowadays, however, fears that the job might fall apart

at some future date have

mostly evaporated, due in

large measure to the epoxy adhesives like Araldite,

which have gained a good reputation for strength and

reliability.
Over 100,000 tonnes of

Araldite products worth £200m, and ranging from

paints to electrical insula-

tion, are now made annually in four Swiss plants. Only two per cent of production

is consumed domestically.

But as users of the two-part adhesive will know,

mixing the resin and hard-

ener from the separate tubes

or tubs in equal proportions and applying the mix to the

Ciba Geigy beats a sticky problem

smoothness of the ride within ware capable of feeding the cabin is sufficient for a glass instructions at sufficient speed of wine to stand undisturbed on to the hydraulic rams.

Aikawa points to the simplicity of the final design, which requires only a single 16-bit per-

replacements for conventional vessels with a minimum of extra crew training. Develop-ment work on the HSCC ben-efited from co-operation with engineers at Mitsubishi's bus manufacturing plants, who were seeking a way to cut the high level of fuel consumption associated with a vehicle's repeated starting and stopping (which,

by their estimates, accounts for 30 per cent of total fuel con-sumption).

So Ciba Geigy has devel-oped Accumix, which allows a two-component cartridge

When work stops for long enough, the glue will start to set in the nozzle, which is removed and thrown away.

Philips co-ordinates travel arrangements similar size, but Aikawa believes that once volume production begins prices could be reduced to "approximately 50 per cent above conventional levels." Philips aiready: has a strong market presence in the hotel world (600 systems) and is responsible for the communications net-work of SITA (Societe Inter-

n a t i o n a l de Telecommunications Aeron-sutiques). Now it is offering autiques). Now it is offering an "open" system for travel agencies that does not tie them to any particular organisation.

Known as Trophy, the system is based on Philips business or personal computers (PCs) which can be interconnected between agency

nected between agency branches if necessary. In the front office, PCs or terminals can use services such as viewdata to access the databases of tour operators, and

telex information.

The system can talk to the various airline, hotel and car hire reservation systems and produce tickets or

Meanwhile, back office staff can deal with the invoicing, sales and bought led-gers; commissions and other administrative work. Philips is also able to offer its CD-ROM(compact disc read only memory) and LaserVision optical storage systems to and moving pictures of places they might like to

CONTACTS: Altied Signal Accepter: U (703) 276 2000. Cibs-Geigy: UK plant, 02 532121, Philips Interrectional: The Nechs lands, 35 601 138.

BY ROY GARNER IN TOKYO

SEASICKNESS sufferers will maran hull. The twin hull was SEASICKNESS sufferers will maran hull. The twin hull was find cause for celebration in the chosen for added stability and to allow a broad cabin design.

(HSCC) developed by Japan's The cabin is positioned atop a 200mm-diameter central pillar, (MHI). The vessel features a attached by a ball and socket passenger cabin in which the joint to the hulls. The pillar cassis are suggested to the series as a longer transfer of the pillar cassis are suggested. seasickness-causing motions of itself operates as a 1-metre

design also holds major promise where applied to other ship-board equipment – it could for example facilitate constantly-level helicopter landing pads, shake-free hospital operating theatres and, on research vessels, improved laboratory conditions.

As the craft encounters forward or reverse motion, or is affected by wave action, a percentage affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, or is affected by wave action, a percentage motion, and a percentage motion or insulate the percentage motion or insulate motion or insulate

seasickness causing motions of itself operates as a 1-metre pitch and roll are largely eliminated, and compensation is provided for the other four the cabin completely clear of the characteristic forms of movement afloat: heave, yaw, surge and sway.

The revolutionary HSCC design also holds major promise where applied to other ship-ward or reverse motion or in-

MHI's prototype boat com- new craft, motion in the cabin

speeds.
The computer software which ties at the heart of the system was developed in a 5-year, Y100m study programme initiated by MHI and supported by the semi-governmental Japan Foundation for Shipbuilding Advancements. The computer as a controller, and largely relies on conventional tional hydraulics technologies.

Because of this simplicity, HSCC craft can be introduced as replacements for conventional.

Nobuyoshi Alkawa, HSCC's project manager, says that the principal obstacles overcome in the project were the development of sensors capable of monitoring the diverse elements of sumption).

the ship's motion and the crethe technology developed ation of related computer soft through this co-operation,

These transponders are normally interrogated by parts is cumbersome and ground radars to provide identity, range, bearing and altitude information. The

to be quickly slotted into a dispensing gun equipped with a disposable mixing nozzle. Moved by a hand grip; two plungers extrude material from separate small cylinders and by the time resin and hardener reach the end of the nozzle, they have been thoroughly mixed by specially shaped plastic channels.

Some adhesive is lost, but Ciba Geigy claims the cost is more than offset by produc-tivity gains: A starter pack costs under \$50.

PHILIPS IS making a further thrust into the travel and sviation market with a computer system for travel agents which copes with most of an agency's activi-ties on a single system.

Where US politics and science collide

BY LOUISE KEHCE IN SAN FRANCISCO

PERSUADING farmers to sell posals. California has spent sig-their land to the Government so nificantly more, including \$2.5m their land to the Government so that a bunch of scientists can on drilling and seismic mapping build an underground tunnel that will supposedly enable them to probe the origins of matter is not easy. Just ask William B Baker, vice president of the University of California and the "volunteer" chairman of the California Superconducting Super Collider executive steering committee, who has faced angry community meet-

ings and trate land owners.
They don't buy I'm from the government, trust me', says the cademic turned promoter of California's efforts to persuade federal decision-makers to choose one of two proposed Cali-fornian sites for the \$4.4bn

"atom smasher". Lining up potential California sites for the project was just the beginning. Now, California is locked in competition with 24 other states to "win" the prestigious Superconducting Super Collider(SSC). A National Academy of Sciences and National Acad-

Chances of Congress approving funding for the \$4.4bn atom smasher are put at 'fifty-fifty'

ground that forms a 53-mile radius racetrack for sub atomic particles called protons.

By accelerating particle beams with a series of superconducting rangees to the speed of light nues. But the SSC would occupy and proposed in the speed of light nues. But the SSC would occupy at the state of superconducting range in the speed of light nues. But the SSC would occupy at the speed of light nues. But the SSC would occupy at the speed of light nues. But the SSC would occupy at the speed of light nues but the SSC would occupy at the speed of light nues. But the SSC would occupy at the speed of light nues and proposed California sites have impact reports.

Hundreds of communities and the proposed california sites have impact reports.

Hundreds of communities and thousands of individuals are working for or against various site proposed.

emy of Engineering panel is and smashing particles together 7,690 acres of prime agricultural tive circus really necessary? "It scheduled to draw up a short list scientists hope to learn more liand in either of the California is probably not the best way to from the 36 proposed sites early next year.

Solution of Engineering panel is and smashing particles together 7,690 acres of prime agricultural tive circus really necessary? "It scientists hope to learn more liand in either of the California is probably not the best way to should be suggested and smashing particles together 7,690 acres of prime agricultural tive circus really necessary? "It scientists hope to learn more liand in either of the California is probably not the best way to should be suggested as and smashing particles together 7,690 acres of prime agricultural tive circus really necessary? "It scientists hope to learn more liand in either of the California is probably not the best way to should be suggested as a site," Baker concedes. What is needed, he suggests, is a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably not the best way to should be suggested as a site of the california is probably no tor that has raised strong opposi-

leading ecientific laboratory is a steering committee has been major attraction. But the eco-busily touting the state as the nomic benefits of housing the "ideal home for what promises SSC are also substantial. to be one of America's most

on drilling and seismic mapping studies.

The paperwork involved is incredible, Baker says. "It's like filling in a 5,000 page tax return." The prize that is driving all of these efforts is a huge Department of Energy funded particle accelerator.

When, and if, it is built it will be the most powerful instrument of its type in the world, a concrete tunnel ten feet wide and at least fifty feet under
ometic benefits of housing the "ideal home for what promises to be one of America's most too, have promoters from 24 bell of the University of other states, and they have a callfornia, Los Angeles, the SSC long road ahead of them. The Department of Energy is direct employment and related support activities by the year final site selection until January 1989. In the meanting, Congress must approve \$4.4bn in funding the beautiful to be one of America's most too, have promoters from 24 bell of the University of other states, and they have a cultivitie by the year final site selection until January 1989. In the meantime, Congress must approve \$4.4bn in funding the beautiful to be one of America's most too, have promoters from 24 bell of the University of other states, and they have a cultivities by the year final site selection until January 1989. In the meantime, Congress must approve \$4.4bn in funding if the project is to go ahead.

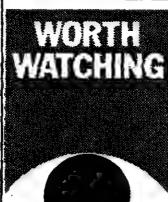
Baker puts at "lifty life" the chances that the 8SC will eventually be funded, and he fully

tually be funded, and he fully expects the decision process to be "dragged out" In the meantime, the cost of

the site selection process is mounting. Scientists and aca-demics are being dragged into the battle to endorse claims, to conduct feasibility studies and

Already, however, each state has spent "well over \$1m," Baker the other states that is wooing estimates, on preparing its pro-

There's a power failure - but nobody has even noticed.



that they should use glue instead of welds, bolts, rivets or screws has always been an uphili task for companies like Ciba Gelgy, the Swiss chemical group.

Piedmont's eye on a safer flight path

Edited by Geoffrey Charlish

PIEDMONT AIRLINES in the PIEDMON'T AIRLINES in the
US is the first commercial
user of the collision avoidance system developed by
Bendix/King, part of Allied
Signal Aerospace Company
of Arlington, Virginia.
This "traffic alert collision
avoidance average" (TCAS)

avoidance system" (TCAS) will be installed on Pied-mont's Boeing 737 and 767 fleet. It uses a fixed serial, advanced radio directionfinding system to interro-gate the transponders installed on other sircraft.

At present, many agencies have more than one type of screen in the front office for access to various networks and another in the back office for administrative

and financial purposes.

Innovative technology from AEG. Here's more:

> Even though more and more people are travelling by air, over 50 million reached their destination in the Federal Republic of Germany in 1986, despite wind and rain, snow and ice. AEG is helping to make such achievements possible. AEG's weather data and information display system collects the various items of data, interrelates and processes them, and displays them in a clear and meaningful form to allow the air traffic controller to make his decisions.

Softstart-Softdown System Thyrosoft protects rotating machines from high starting torques and current surges. All load types can be easily accommodated within the range available. It plays an important part in the efficient operation of the total system by allowing adjustment of the motor starting characteristics so that optimization of the process can be achieved.

Wherever there is control. adjustment, positioning, safety: the automation system Logistat CP80 from AEG offers. economical and flexible solutions. Our .. SPC technique is used worldwide; the car wash in the White House, the elevator controls in Moscow's television tower, even in steel works in India.

The city of Berlin has to cover its electricity requirements with its own power stations and cannot fall back on the European grid to cope with peak demand. AEG designed and built the world's first and largest (17 MW) battery storage system in commercial use. It feeds standby power into the Berlin mains in a fraction of a second - without pollution.

AEG (U.K.) Ltd., 217 Bath Road, Slough, Berkshire, Great Britain SL1 4AW - Headquarters: AEG Aktiengesellschaft, Z15, Theodor-Stern-Kai 1, D-6000 Frankfurt 70, West-German

London Galleries/William Packer

Faced with expressions

The Institute of Contemporary Arts in the Mail and the Anthony d'Offay Gallery at 23. Dering Street W1 are currently holding exhibitions that variously treat upon expressionism. The ICA's upper gallerles hold a group of 'Character Heads' by the 18th century Austrian sculptor, Franz Xaver Messerschmidt, along with some photographic overdrawings which his fellow Austrian, Arnulf Rainer, based upon them in the mid 1970s (sponsored by Osterreichische Landerbank, the Austrian Iastitute and Visiting Arts). In the main gallery downstairs are his supposed mental instability large recent paintings by the Bartish artist, Tony Bevan (which go on to Derry, Cambridge and Bratford: both ICA exhibitions until February 21); and Anthony d'Offay is showing early woodcurs and 4 recent woodcarvings by the German artist, Georg Baselitz (until January 18).

Lapter Sallery and the work, at once material and work, it once material and object, is rather more recent. To not, he continued with his normal commissions of portrait sculpture of Messerschmidt sculpture long after he began to work upon his grimacing and distorted self-image. And to the east his image, with the extraordinary sculpture long after he began to work upon his grimacing and distorted self-image. And to the extraordinary self-portrait sculpture of Messerschmidt is to realise that such distorted self-image. And to the activation for the previous upon them in the mid 1970s the age of 47, of pneumonia, having lived in eccentric poverty and isolation for the previous upon them in the mid 1970s was a series begun in 1770, at about the time active is each image, and so exact the personal representation that, just as with any life sculpture of Messerschmidt is to realise that such distorted self-image and took very grotesques disporated will be care, proving the work of 47, of pneumonia, having lived in eccentric poverty and isolation for the previous upon them in the mid 1970s (Character Heads' in a series begun in 1770, at about the time active is each image, and so exact

Expressionism in a general sense is as old as Art itself, for every work of art carries within it something of its making and a sense of the immanent presence
of the artist: but the development of the idea of the artist as poisoned by the lead into which

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deny him. Clearly he became very odd, suffering delusions of persecution by malevolent spirits, but the exact nature of spirits, our une his illness is obscure.

ject's body, we find ourselves considering not so much the object as a detached and self-sufficient work of art, but rather the bodily presence of the artist himself. We too find ourselves stretching and yawning, twisting and gaping as we wash or shave or brush our teeth or, merely for amusement, pull funny faces in the glass. Messerschmidt's potative madness seems hardly the point when our own imaginative identification is so uncomfortably close.

To show Arnull Rainer's modern overdrawings alongside such strong stuff is reasonable, but in the event it is hardly fair. They stand as a commentary upon a body of work that, given Rainer's own established position, was always bound to be for him a natural reference and influence: it makes clear the link between his own physical, expressionist romanticism and that old tradition of engagement with the grotesoue and the that old tradition of engagement with the grotesque and the deranged. Whether or not it was increased. Whether or not it was increased whether or not it was increased. Whether or not it was increased. Whether or not it was increased whether or not it was increased him well so far, but they the work that held him: but of working that was at first what he does with it, by the entirely authentic can descend increased increased with it in the work in which represent signs are comparison would have been works show a less emphatic graphic statement of the image with the work in which Rainer confronts and assaults his own physical image, just as his hero once confronted and tested his.

In its drawing to a bare, vital minimum.

Such ploys and devices have served him well so far, but they they their drawbacks, for a way the working that was at first entirely authentic can descend into manuerism and mere style. Bevan might face just such a difficulty; but the present signs are encouraging, for the most recent works show a less emphatic graphic statement of the image and, instead, something rather more fully modelled, integrated and painterly.

Georg Baselitz, at Anthony



among the trees, are strong and convincing.

But the exhibition is really given to his more recent wood-carvings — a large standing figure of 1986, and 3 large heads from the early 1980s, all manifestly rough-hewn and three of them as roughly painted. So very crudely done, they are yet possessed of an oddly convincing and potent totemic authority, especially the heads. Nothing in his later painting that I have seen is remotely as effective as seen is remotely as effective as his sculpture, and the conclusion Georg Baselitz, at Anthony d'Offay, has enjoyed an extraor the small numerically but physically impressive, for the paintings are ing has hardly developed, unless large and vigorously worked in starp colour, high tonal contrast and sand-enhanced impasto. His opment. On the other hand, subject is the figure or the head and earlier work appears.

'Six Characters' in Moscow

Credit glasnost (openness) and perestroika (change and reform) for the new frings acene in Moscow, but also give as much credit to the talents of new playwrights and directors - and enthusiastic young ensembles, supported by appreciative audienthusiastic young ensembles, supported by appreciative audiences for making their mark so swiftly on the Soviet theatre landscape. Two premieres in Moscow at the end of November Sin Chemiters for the state of the Pirandello's Six Characters in Search of an Author at the Studio Anatoly Vassiliev (School of Dramstic Art) and Neil Simon's Fools at the Moscow Studio In the Southwest - became over-night hard-ticket attractions. As a consequence of thematic material alone, surely both will receive invitations from abroad to guest at international festi-

The Studio Anatoly Vassiliev, which has just opened in a white-washed ground-floor space white-washed ground-floor space at Vorovskogo Ulisa 20 in the heart of Moscow, is known unequivocally at its founder's insistance as the School of Dra-matic Art. Vasdliev was given this space after the success he scored last summer on a European tour (in Stuttgart at the World Theatre Festival, Rotter-dam, London, and Belgrade at the BITEF festival) with his production of Victor Slavkin's Serso (Cerceau). Written in 1981 and presented for the first time under Vassiliev's direction at the Taganka Theatre in October 1985, Cercacu was the result of

1985, Cerceau was the result of three years of on-again, off-again rehearsals, with a makeshift ensemble of mostly film actors. Having broken the bounds of patience and artistic toleration at the Taganka (plus the Stanislavsky Theatre before that), Vassiliev has now made the move to exploit the fringe on the already rich and varied Moscow theatre scene. Following the premiere of his production of Pirandello's Six Characters in Search of an Six Characters in Search of an Author, he will continue to mould the ensemble to his liking before taking it on tour again according to reports, to the Berlin Autumn Arts Festival next September.

September.

So far as Victor Slavkin is concerned, his plays began to appear on Moscow repertory at the beginning of the current decade, but it was the Corcean staging that launched an open critical discussion on both the author and the play's obvious parallels to Ghekhov (The Cherry Orchard) and Gorky (Summerfolt), to say nothing of Western existentialist drama. As the title of the play hints - with its reference to an eighteenth-century ence to an eighteenth-century French ring-tossing-game, played in this case by the principals during idle conversation about

to a parterre entrance that appears to lead to a cellar. Once inside, the foyer doubles for a garderobe for approximately 200 spectators, while a hallway off to

Fringe theatre in Russia is benefitting from the new era of glasnost which allows talented directors their heads. Ronald Holloway reviews two recent Pirandello and

Simon premieres which have become the hottest seats in town.

the side leads to smaller rooms for the actors and technical crew. A large room with scat-tered chairs, which can be res-sembled at will for each of the three acts, is divided by a white mutain that can be drawn to and curtain that can be drawn to and fro by a pulley. As belies Piran-dello's play, the dramatic lines between the actors and the audience are effectively rubbed out by mixing everyone together in Vasailiev has taken liberties

with Pirandello's text, particuwith Pirandello's text, particu-larly in the first act, by cutting passages and altering the roles-yet the comic and tragic effects of the drama remain fundamen-tally the same. Musical inter-ludes, sung and danced by mem-bers of the cast, supply the psychological bridges to heighten the action, spot dramatic umpha-sis, and change directions in a

mid-life crisis while over a weekend inspecting a dacha inherited
by one of the group. Luigi Pirandello's Six Characters in Search
of an Author - the second in a
planned trilogy - now broadens
the dramatic content of Victor
Slavkin's Cerceau like a dropped
pebble disturbing the surface of
a placid pond with an ever
increasing ring of ripples.

The entry to the Vassiliev's
quite hidden School of Dramatic
Art on Vorovskogo Street is via a
courtyard behind an apartment
building, around a fence, and
then down a short flight of steps
to a parterre entrance that

On the next evening we jour-neyed through a snow-flurry to the very fringe of the city, to the Moscow Studio in the Southwest, to catch another premiere: Val-ery Beliakovich's production of Neil Simon's Fools. The irony of Neil Simon's Fools. The irony of a Russian translation (Sergei Tasko) from the English of the play, adapted in turn by Simon as a "common fable" from Ukrainian-Yiddish folk-tales (it opened in April 1981 under Mike Nichols's direction at Simon's own Eugene O'Neill Theatre in Manhattan), was attraction enough. But an unexpected bonus turned out to be the evening's ultimate reward; an adjeing's ultimate reward: an agile and fast-paced performance by a

young ensemble that was a sheer delight.

The Studio in the Southwest, another makeshift arena for about 200 spectators, formerly served the community as a youth club. The establishment of a permanent theatre in the club a permanent theatre in the club came about with the popularity of a performing group specialising in a range of comedies, musical revues, and light drama. Beliakovich, its guiding light, likes to see the action roll along at a good clip. Recorded music has the "village idiots" prancing their way through many of the scenes while delivering dialogue in staccato cadences. With the arrival of a new teacher in the community, who doesn't stand a community, who doesn't stand a chance from the start, everyone takes to occupying hanging cages like monkeys in the trees.

Making use of a few masks motion costumes and a handful of prope (the cages are recycled wagons from the local supermar-ket). Valery Baliakovich lets the audience in on a childlike experience: the merriment of visiting a human zoo. If there's a message in Fools, then it's naked laughter. Like many of George Melies's primitive one-reel classics, here is an exposure of the human species run amok: com-media dell'arte - Moscow-style.

Brendel/Festival Hall

"Untitled" by George Bazelitz, 1979–80

Max Loppert

the recital was fearfully dry. The spirit of adventure that informed Brendel's early records of Schubert is long gone, replaced by a universally sober, didactic mode of pianistic address. The rhythms didn't dance. The melodies didn't sing. The choice of tone-colours was intentionally tions dight sing. The choice of sonata 1.090, with austime tour mampacesu insure starring tone-colours was intentionally centration. The palette of colours David Suchet and Saskia Reeves, restricted, the gait measured, sol- was still limited, but the limita- is transferring to the West End emn, and (I felt) self-important. Sion seemed here a dramatic and opens at the Cosnedy The-Whenever Brandel paused - as he device, a way of intensifying the airs tonight.

West End transfer for Separation

ture hall warmed up a degree or two, for Brendel played the neglected, unfinished, and absolutely remarkable C major aration, which opened at the Sonaia, D.840, with absolute con-Hampstead Theatre starring. The palette of colours David Suchet and Saskia Reeven.

Mayer concert/Festival Hall

David Murray

On Sunday afternoon Alfred Brendel set off on the first of his four concerts off on the first of his four concerts off ints Schuber is a minority report on the occasion. What follows is a minority report on the occasion and the rapt, reverential has points, and the standard to me that, on this evidence the programme betokened the inigh esteem in which this planist is currently held. But it seemed to me that, on this evidence of the way.

It was the same with the simple steem in which this planist is the simple steem in which this plane is the condition of the six should be steemed to me that, on this evidence of the six is simple steem in which this plane is the sixty-fifth season for instance, is the proteins of the six should be conditions of the screen is the condition of saturday morning to find on Saturday morning to find on Saturday morning to find on Saturday morning to find a few morning them the six should be conditioned.

It was the sixty-fifth season for children's concerts foun American programme - even if it included too many slow moveit included too many slow move-ments — and the playing by the London Chamber Symphony, which was crisply expert and well-rehearsed far beyond the old norm. It is an ad hoc group, boasting many good performers familiar from other ensembles. Odaline de la Martinez chatted explorative and indistinctly

voor to suppress restiveness in the slow bits, and it is the one that ends with the irresistibl that ends with the irresistible clatter and wheeze of "The Little Train of the Caipira" (delightfully detailed here, though Miss de la Martinez might have run it a notch faster). There seemed to be general satisfaction. As presenter, Michael Berkeley abetted the conductor urbanely.

Messiah/Festival Hall

Richard Fairman

For a few giorious moments this ward vigour that has always performance of Handel's Mes-been his mark as a Handelian in punched out their words with

conviction that I have not always associated with her. How she made those old, familiar words tell. The angel's proclamation ("Unto you is born this day") was truly exultant; and in the last aria her singing of the line "It is Christ that died" will long stay with me. This was

The rest of the performance. though always enjoyable, oper-ated at a more basic level. Solti was the conductor, directing the London Philharmonic Choir and Orchestra with the straightfor-

stak really sparked off seasonal feelings of rejoicing. Even when a work is played to excess (and Messiah at Christmas is one of the prime examples) it is still approach the piece in such a orchestra had to sound portenspirit as to make it catch the limit of the prime example of the prime example of the prime example of the prime example of the still approach the piece in such a constant to sound portenspirit as to make it catch the limit of the piece of the prime example of the prime example of the prime days of the no-nonsense authentic approach the fast appears and constant brightness of the no-nonsense authentic approach the fast appears and constant brightness of the no-nonsense authentic approach the fast appears and constant brightness of the no-nonsense authentic approach the fast appears and constant brightness of the realist for need less appears and constant brightness of the that he calls for need less applied to the prime example.

spirit as to make it catch the imagination afresh, breathing new life and spontaneity into the music-making as a whole.

On Sunday that musician was largaret Price - as radiant as ever in all the soprano solos, but singing on this occasion with a conviction that I have not from everybody involved; the from everybody involved: the Overture set off with a decisive.

every consonant together. So much so, indeed, that the effect started to sound self-conscious. The other three members of the solo quartet had been well chosen. Anne Gjevang is an alto very much in the old tradition of Messiah, heavyweight in the semiquaver runs, a touch booming in her arias; John Tomlinson was the bass, pushing for a big, powerful sound. The tenor, Keith Lewis, offered something more, singing with an ever-increasing range of sensitivity these days. But this was Margaret Price's evening and it was her voice, dig to the dotted rhythms (LPO soaring out above the others, strings playing with well-drilled that will stay in the memory.

Saleroom/Antony Thorncroft A move to Monaco

The art world has moved to Mon-aco this week for a series of very important sales, organised by Finnish glass. aco this week for a series of very important sales, organised by both Sotheby's and Christie's. Sotheby's has a good series of collections, not least the furnishings of the Chateau de La Roche-Guyon in the Seine valley. Roche-Guyon in the Seine valley, the epitome of a French chateau with its medieval donjon and its 18th century additions. What is remarkable about the furniture lution, intact. It sold on Sunday and yesterday for £1,967,099 with only 2 per cent bought in.

Sales in Monaco have a mild curse hanging over them in that the French Government can either pre-empt anything sold and give it to a national collection, or rule that items must not leave France. This happened to the three top lots in the Roche buyon sale: they must stay in France. Even so the prices were exceptional. Four Gobelins tapes tries depicting the History of Esther, produced around 1769, sold for \$360,556 while a pair of Louis XVI console tables of around 1770 more than trebled their estimate at \$329,193. A bronze chandelies of around bronze chandelier of around 1735 sold for \$206,746.

Christie's had mixed fortunes with its sale of 20th century decorative arts on Sunday night in Monte Carlo. It totalled £1,028,460, with four records, but it was also over 36 per cent unsold. Among the successes were the £92,463 paid by an American collector for "Cluny", a smoky grey bronze mounted Lal-ique vase, 10 inches high, which had been estimated at up to \$20,000. It was a record for Lali-

A sculpture, "Nymph of Fon-tainebleau" by Alfred August Janniot made \$87,024, a record, as was the \$62,288 paid for a bronze chair by Albert Armand Rateau. The cult of record prices was taken to an extreme with the announcement that the \$45,687 paid for a black lancet

The highlight of the first of The highlight of the first of the Monaco auctions — of antiquities and objects of art from the collection of the Countess de Behague — was the \$1.4m. paid for an Ostro-Gothic gold cloak broach, made around 500 A.D. and five inches long. In the form of an eagle, it had been unearthed in Italy in 1895, and had almost certainly heap buried had almost certainly been buried with its queenly owner. The Countess left her collection to her nephew Marquis Hubert de Ganay, whose children decided to sell it at suction. It totalled \$6.7m. On eight occasions the French Government exercised its right to pre-empt objects at the

Meanwhile in New York over the week end Christie's achieved two artist records - for a painting by Mary Cassatt, the friend of the Impressionists, and a sculpture by the early Cubist. Elie Nadelman. Cassatt's "Mother Bertha holding her mude baby' sold to the American art dealers Berry-Hill Gallery for \$593,000 while "Tango," a cherrywood carving of a dancing couple, of which two versions are known, made £1.6m to the same dealers

The Birmingham Rep's 1988 season

The Birmingham Repertory Theatre's 1988 season opens on February 8 with Tom Stoppard's The Real Thing, followed on March 14 with Arthur Miller's

Death of a Salesman.
Privates on Parade by Peter Nichols opens on April 18, No Orchids for Miss Blandish on May 16, and The Railway Children June 13.

Travelling on Business in the Netherlands? Enjoy reading your complimentary copy of the Financial Times when you're staying in Rotterdam at the in Amsterdam at the Histon Hotel American Hotel, Hotel Apollo, Garden Hotel, Hilton Hotel, Mariott Hotel, Sonesta Hotel, . . in Schemus Victoria Hotel, Doelen Crest Hotel, the Kurhaus Hotel Schiphol Hitton Hotel, Crest Hotel. Ascot Hotel FINANCIAL TIMES

this performance, in its way, a collectors' item. After the inter-

vel the temperature in the lec-ture hall warmed up a degree or



Arts guide

Opera and Ballet

· PARIS

Kirov. The temple of classical baliet has brought, with Swan Lake and Giselle, a revelation: the couple Farouk Razimatov and Altynai Assylmuratova. Palris des Congres (426 62075) until Jan 10. until Jan 10.

Jiri Kylian and the Nederlands Dans Theater performs to music by Stravinsky, Mozart and Debussy until Dec 18, to music by Toru Takemitsu, iannis Kenakis, Minku, Mozart and Jon Hassell until Dec 20. Theatre de la Ville. (427

Yours alternates with Macbeth at the Paris Opera.

Don Giovanus conducted by Lother Zagrosek with Francois le Roux in the title role and lene Garetti as Donna Elvira in Oslo Opera's dynamic production by Goran Jarvefelt at the Opera Comique. (429 60611).

WEST GERMANY

Berlin, Deutsche Oper. Elektra has a strong cast with Helg Dernesch and Gerd Feldhoff. Manon Lescaut has Raina Kabaivanska, George Fortune and Giorgio Merighi. Tann-haeuser with Spas Wenkoff brilliant in the title role.

Hamburg, Opera. II Trovatore, sung in Italian, features

Dianne Curry and Haraid

Stamm. La Boheme will be conducted by Stefan Soltess.

Cologne, Opera. Tanninseuser stars Rene Kollo in the title role. The Magic Finte has fine interpretations by Hellen Kwon as Queen of the Night and Matthias Hoele as Sarastro. Eine Florentinische Tra-goedie/Gianni Schiechi round

> Stattgart, Wuertiembergisches Statstheater. Hansel und Ore-tel with Helene Schuteiderman and Impard Stadler.

> Manich, Bayerische Stantsoper. Les Contes d'Hoffmann in Otto Schenk's production features Cyndia Sieden and Class H. Cyndia steden and Claes n. Ahnsjo. Juan Pons leads a strong cast in Macbeth. This week's highlight is Cardillac with Maria Francesca-Cavazza and Donald Macintyre. Also in the repertory: Die Entfuehrung aus dem Serail.

NETHERLANDS

Groningen, Schouwburg, Opera Forum with Clemenza di Tito directed by Vittorio Patane and conducted by Francois Huybrechts (Thur). (12 56 45).

Ringhoven, Schouwburg. The Hoofdstad Operetta company in Strauss's Wienes, Blut directed by Dick Top and con-

ducted by Martin Maizer (Wed). Also, a new dance production by Yoshiko Chuma of

December 4-11

ITALY

Milan, Teatro alla Scala. Don Giovanni conducted by Ric-cardo Muti, directed by Giorgio Strehler (director of Milan's Piccolo Frigerio) with cos-tumes by Franca Squarciapino. Thomas Allen sings the title role, with Edita Gruberova and Chardio Desderi. (20 91 28).

Turin, Tentro Regio. Don Giov-anni, with the Verdi veteran Renato Bruson making his debut in a Mozart opera, conducted by Miklos Erdelyi. A new production directed by Luigi Squarzina and designed by Paolo Momasi. Also in the cast are Daniela Dessi, Paolo Gavanelli, Horst Laubenthal and Eugenia Moldeveami. (548

Trieste, Testro Comunale Giuresus, rearro Commune Gin-seppe Verdi. Donizetti's La Fig-lia del Reggimento, directed by Filippo Crivelli and based on Zeffirelli's production for the Teatro Massimo in Palermo in 1959. The cast includes Luciana Serra, Bertolo and Rosa Laghezza Carlo Rizzi conducts. (631 948).

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Tuesday December 8, 1987

Expectations at the summit

would enable them to destroy not only each other but the entire human race, it is surely in the world's interest that their leaders meet from time to time, so that they know each other as human beings and have some direct knowledge of each other's anxieties and sensitivities. That ost any East-West summit.

Over and above that, the present one deserves special welcome because this evening (Tues) the two superpowers will, for the first time ever, sign a treaty not merely limiting the development of puckers. merely limiting the development and deployment of nuclear weapons but actually eliminating an entire category, and prescribing even the technical details of their physical destruction. Western Europe in particular should welcome this - as indeed to did no Saturday in the state. it did on Saturday in the state-ment issued by the heads of gov-ernments of the European Com-munity - because under the terms of the treaty the Soviet SS20 missiles, whose deployment in the late 1970s struck fear into so many European hearts, are to be scrapped.

Principles

Moreover, the treaty embodies two key principles for which the West has long sought Soviet acceptance, and which could be of crucial importance for future arms control agreements; on-site verification, and asymmetrical cuts to eliminate existing asym-

This achievement would not have been possible without a marked change in the Soviet approach to international relations, reflecting some even more striking changes in the Soviet Union's management of its inter-nal affairs: changes symbolised and at least in part caused by the personality of Mr Gorbachev himself. These changes have sud-denly made the idea of agreement and cooperation with the Soviet Union on a whole range of issues seem much less Utopian to many responsible people in the West than it did only two or three years ago. As one of the British ministers who took part in yesterday's talks with Mr. Gorbachev at Brize Norton remarked, "You just can't imagpressing the button.

The danger in this atmosphere which is if anything even more pronounced on the other side of the Atlantic - is that it will lead to too many hopes being pinned

on one meeting between two men. Public opinion is looking for big strides to be made towards further arms control agreements, especially in the field of strategic weapons where both sides seem seriously pre-pared to negotiate a 50 per cent cut. There are also expectations of a dramatic Soviet gesture on Afghanistan - perhaps even set-ting a date for the withdrawal of all Soviet troops; hopes of greater Soviet cooperation in putting pressure on Iran to agree to a ceasefire in the Gulf War; hopes of progress on a deal involving the withdrawal of

involving the withdrawal of Cuban forces from Angola and Independence for Namibia; and hopes of further Soviet concessions on human rights.

Desirable as each of those things might be, it is almost certainly too much to expect them all at once; and indeed it is doubtful whether the political machinery of the US and Nato is capable of digesting them all at once.

Ratification

Aiready President Reagan is facing a barrage of intemperate and largely absurd criticism from his own right wing. His understandable but clumsily phrased response to it has exacphrased response to it has exac-erbated the situation, and it now seems certain that today's treaty will be the subject of a long and acrimonious ratification debate in the Senate. Is it realistic for Mr Gorbachev or anyone else to expect a lame-duck administra-tion both to fight this battle and at the same time to be negotiat-ing a new and potentially much more controversial agreement on strategic weapons, even if - as now seems possible - disputes about strategic defence and the interpretation of the anti-ballis-

tic missile treaty can be set aside for the time being?
For their part, West European leaders have not forgotten last year's summit at Reykjavik; when Mr Reagan was nearly swept into an ill-considered global agreement with very grave implications for western security by the sheer vigour and imagination of Mr Gorbachev's proposals. The common defence platform of the Western Euro-pean: Union, adopted last Octo-ber, made it clear that Europe does not share Mr. Gorbacher's. belief that a completely non-nu-clear world would be a safer one. But European leaders are fearful that in this argument the Presi-

dent's thinking may still be closer to Mr Gorbechev's than to

Banking mergers in Spain

IT HAS long seemed anomalous that a country of Spain's size and economic development should possess such a frag-mented banking system. No fewer than seven banks control directly and indirectly over 80 per cent of domestic deposits, yet by international standards none are large enough to be both com-petitive in their operations and global in their ambitions. Under these circumstances it is

unfortunate that the first attempt at a major merger should end with egg on just about everyone's face. Merger legislation has proved inade-quate, the Government, espe-cially the Bank of Spain, failed to act at arm's length and the bankers themselves were far too wrapped up in traditional rivalries (often highly personal) to realise they were undermining their own long term interests. Banco de Bilbao, the third

ranking bank, has been thwarted in its ambitions to take over Banesto, the ageing colossus of the banking system, as a result of a ruling by the Madrid Stock Exchange. This ruling was a strict interpretation of legislation regarding the exchange of shares; payment to Banesto shareholders in new stock was forbidden until the issue had been approved by Bilbao's share-

Bad management

The administrators of the Madrid Stock Exchange found themselves in an unenviable position. In the first serious test of their authority over a merger they were left with little option but to apply the existing law strictly. Otherwise there was a risk that Banesto management might appeal and indulge in a lengthy and debilitating legal wrangle, while the two banks shares appeared expended Neverthe while the two banks shares remained suspended. Nevertheless, the decision cannot fall to raise eyebrows given the contrary ruling of the smaller Bilbao bourse that favoured its own eponymous bank. The Madrid bourse will have to demonstrate bourse will have to demonstrate

clearly that they were not leant upon by Banesto's friends. The Goverment of Felipe Gonhave behaved more discreetly, even though its motives were anderstandable and honourable The Bank of Spain has been rightly concerned about the structure of the Spanish banking

system, fully recognising that it is overbanked and not lean enough to compete within the European Community when all restrictions are lifted in 1992. The banking system went through a long and painful crisis in 1979-84 with almost 30 small

and medium-sized banks running into difficulties through a mix-ture of bad management and misuse of funds. This should have been used as an opportunity to begin the process of con-centration; but it has been held up because of the long-standing rivalries among the big seven banks, none of whom have been willing to lose their individuality.
The Spanish authorities, con-

sulted in advance, enthusiasti-cally endorsed the idea of a Bil-bao takeover of Banesto, seeing modernisation of the banking sector. The merger also promised to create a Spanish bank large enough to resist a foreign predaitself to the deal in too public a way, the Government looks more than a little foolish now that it has had to be dropped.

Positive lessons

The management of Bilban is The management of Bilbao is understandably angry about having to drop its bid and feels it has been hard done by. Whether or not it was made too confident by government backing or underestimated the the legal problems is unclear.

Despite everything that has happened, there is no reason why positive lessons cannot be learned. Bilbao's abortive takeover has helped break a psycho-

over has helped break a psycho-logical barrier and has brought the debate about a concentration of the banking system to the fore. The logic of consolidating the banking system has not been undermined: the largest commer-

At the same time the problems of carrying out a successful merger and the defects of existing regulations have been exposed. Above all the merger rules are demonstrably inadequate and should be reviewed urgently. If not. Spain's banking urgently. If not, Spain's banking and financial system will lack the necessary dynamism to-cope with the enlarged market in which it will soon have to comCurbs on trade with Communist countries

Backing reluctantly into the limelight

By David Buchan and Peter Montagnon

THE POLICY of treating CoCom as a semi-secret organisation has effectively worked against build-ing public support. It is time to get it out of the closet. So said a senior official of the US State Department in November 1987. For 37 years the Co-ordinating Committee on Multilateral Export Controls (CoCom), In which Nato and Japan have vet ted their strategic trade with Communist countries, has lived a shadowy life in an anonymous US embassy annexe in Paris's rue de la Boetie. Now the US wants to give it a higher public profile and reshape it into somehing approaching an economic

But the delicate 16-nation consensus on which CoCom depends could crumble in the reshaping. What the US is proposing is tougher and more uniform enforcement of strategic trade controls on East-West trade by its allies, in return for a loosening of the way these controls constrict the much larger volume of trade within the West. of trade within the West.

The immediate motivation is the row that broke out earlier this year after disclosures that Toshiba of Japan and the Norwegian Kongsberg concern had believed the Souther Linds equipment to the Soviet Union that might help it manufacture quiet submarine propellers. Last week, the West German Government blocked the sale of a civil inspection submarine to North Korea after US objections. Every year that passes without a solu-tion makes the basic problem

impinge increasingly on goods with a primary or initial civil use, as new advances, such as those in micro-electronics, are introduced into the commercial market place, often well before they find an application in weap-

 Many non-US companies are now "de-Americanising" their products to avoid having them caught in the web of US controls that require Washington's approval for the movement of goods and components of US origin or design anywhere in the world. Companies like British Aerospace have told companies like Hewlett-Packard of the UE that, while they are top of the list in terms of desirable technology, the fact that they are American puts them bottom.

So, the US has called "a senior

political meeting of CoCompartners at the end of January. Mr Allan Wendt, the US State Department's official responsible for strategic technology policy, explained to a Royal Institute of International Affairs conference in London last month that the aim was to "revitalise CoCom through improved public understanding of its mission and a common, effective level of export licensing and enforce-ment throughout CoCom."

To this end the US wants "con-crete commitments" from its partners to put more police and customs officials on to the job of catching "techno-bandits" and to increase their judicial penalties

for export control offences. The marines so inflamed Congress, incentive for the Europeans and now fears passage of the Toshiba Japanese to make such commit-amendment. It could provoke a Japanese to make such commit-ments, said Mr Wendt, would be phased elimination of export licensing among CoCom coun-The ideal of a licence-free trad-

ing zone between Nato countries and Japan is something all CoCom members share. The obvious parallel is the European obvious parallel is the European Community's ambition to create a single market by 1992 surrounded by a common tariff on imports, except that the CoCom zone would be bounded by a common control on exports. In fact, the EC plan is not just a parallel it is a chief reason why a CoCom control-free zone is vital After 1992, 11 European members of CoCom (the EC minus Ireland which does not belong to Nato and therefore not to CoCom) will find it difficult, if not legally impossible, to

if not legally impossible, to maintain security export controls on trade with each other.

More immediately, CoCom commitment to toughen enforcement of export controls could head off the US Congress from writing the "Toshiba amendment" into its new trade law. At the moment a House-Senate conthe moment a House-Senate con-ference has before it an amendment to impose import bans on any foreign company (from a CoCom member country) which in the future violates CoComagreed trade controls, and to slap a ban of between two and five years on imports from Toshiba of Japan and Kongsberg of Norway in retrospective punishment for their 1983-4 sales to the Soviet Union of equipment that may have been used to make submarine propellers.

Even the US Defence Department, whose allegation that

Toshiba machines have helped the Soviet Union reduce the noise and detectability of its sub-

Aerodynamics/fluid dynamics

Computers & software

Directed energy (laser)

Electro-ootical sensors

Guidance & navigation

Micro-electronic materials

Automated production

Propulsion (air & ground)

Robotics & machine intelligence

Advanced materials

Biotechnology

Power sources

Radar sensors

Signal processing

Submarine detection

Telecommunications

Source: US Defence Department 1987

Optics

retaliatory trade war, not only with Japan but also with Europe which is even more sensitive to US attempts to enforce laws in other countries. The Toshiba sales broke Japanese law (embodying the CoCom consensus) and the company has been punished by the Tokyo authorities, albeit not as severely as many Americans would wish.

There is, unfortunately, no ducking the politically sensitive, commercially frustrating and legally complex welter of issues involved in CoCom. The relative ups and downs in superpower relations are, or should be, largely irrelevant to the content of CoCom control lists. Even a new era of superpower good feelings, such as may follow this week's US-Soviet summit, will take little difference. make little difference to the length of the lists, though it could end the 1982 ban on agreed "exceptional" sales of CoCom-embargoed technology to the Soviet Union itself.

the Soviet Union itself.

As long as the Soviet Union remains the West's main potential military adversary, the West will want to keep the qualitative edge it has over the Soviet Union and Warsaw Pact in military terms as compensation for the terms, as compensation for the quantitative interiority that Nato is unable, or unwilling, to redress. That means the West redress. That means the West must try to prevent the East get-ting its hands on the latest tech-nology of military significance. The argument inside the com-

mittee rooms at rue de la Boetie has always been about what is militarily significant at any time.
Differing defence responsibilities and East-West trade interests have always tended to lead the US and its European and Japa-ness ailies to differing conclu-sions. Trade ministries carry

greater weight in Europe and Japan; whose national delega-tions to CoCom sometimes include people seconded from private industry (from Philips, in the case of the Netherlands for example), while the US view has been powerfully shaped by its Defence Department in recent Several factors have compli-

Several factors have compli-cated CoCom's recent work.

Member governments still fail to update the CoCom industrial (dual use) list fast enough, par-ticularly in computers whose civil and military use continues to explode, although some more personal computers were decon-trolled in the summer this year. This logism persists despite the introduction in 1985 of a rolling review with one quarter of the list revised every year.

Closely related to the issue of what should, or should not, figure on the CoCom list is the world-wide diffusion of technology rechnology acquivalent.

ogy. Technology equivalent to that controlled by Cocom Is increasingly available outside the 16 CoCom countries. Clearly, CoCon countries are shooting themselves in the feet commercially if they deny themselves a sale to the Soviet bloc which a third country fulfils. The US, fol-lowed by the UK, has struck a variety of understandings with variety of understandings with third countries - the European neutrals, and Singapore, South Korea and India in Asia - to per-suade them not to pass on to the Soviet bloc controlled technology of CoCom origin. But few non-aligned countries have offered to restrict similarly their indige-nous technology. nous technology.

But it is the issue to the ment of CoCom rules by CoCom security and comment of coCom rules by CoCom security and comment of the US feel if But how would the US feel if the computer of a computer

new resources in recent years into tracking down what Mr. Wendt refers to as "the highly profitable cottage industry of lilegal diverters." This "industry" is at work in all CoCom counis at work in all cocom countries, including the US where ernment is currently being sued over 5,000 seizures of goods have by CEMI, a UK computer combeen made in the 1980s. But pany, for falling to protect the some countries present obvious firm against a US Government loopholes for techno-bandits. For order barring it from receiving instance, neither Portugal nor any US goods from either US or Greece are big East-West traders. in their own right, but the former country has no technology
specialists in its customs service
while the latter is accused (by
the CoCom members) of laxity

Sciences this year, the US
Administration seemed to be in a
new pragmatic mood, influenced
by a US National Academy of
other CoCom members) of laxity

Sciences study which claimed
that arrows controls

an economic irregularity rather, less than 25 per cent US content, and punish them accordingly. In and to Communist countries of addition, some countries have statutes of limitations on their books which preclude any \$10,000 in value. But the Toshiba prosecution for an export control offence more than a couple of years after the offence occurred. CoCom meeting early next year the US is ready to abandon or to s powerful alliance of the pro-in-to push for tougher, uniform moderate policy aspects that dustry right and anti-US left.

members Belgium Netherlands Turkey HIGH TECH Proscribed destinations Vietns Czechosio N.Korea Hungary Albania Bulgaria

judicial penalties in the alliance. Though hardly a laggard in this, the UK is considering an increase in its maximum penalty for export control offences from three to seven years.

However, the politics of CoCom reform is greatly compli-

cated by US re-export controls, which govern the movement not only of US goods between other countries, but also within a given country. Positions on this are deeply entrenched. The US justifies extra-territorial controls as strategically necessary to US

Most CoCom governments, led the movement of a computer by the US with the UK and from New Jersey to New York France close behind, have put depended on approval from Lon-new resources in recent years don't All US allies dispute such US controls, and none more hotly than the UK which has fatty rejected US extra-territoriality in both statute law and dec-

other CoCom members) of laxity "Sciences study" which claimed in enforcing controls, particularly via Cyprus. Italy does not even publish its control list.

Another US complaint is that jobs. In particular, it scrapped some of its CoCom partners prior US authorisation for re-exregard export control offences as ports to CoCom and some Third an aconomic irregularity rather world countries of goods with than a national security matter, and muster them accordingly in and to Communist countries of affair has since caused opinion to re-harden, particularly on Capitol Hill.
The real question is whether

silies find objectionable (such as national re-export controls and pressure for a longer CoCom embargo list) before, or only after, allies agree to tougher CoCom rule enforcement. In a sense the US is now appealing over the heads of allied governments to their publics. It evidently believes that giving CoCom a higher profile will bring improved public understanding and public support for it. This is questionable.

Western governments have, or ought to have, cause to shed some of their old inhibitions against mentioning CoCom in polite company. European Com-munist parties have either declined (in France) or become de facto Nato loyalists (in Italy). The Soviet Union writes and speaks freely of CoCom these days, and if it does, so should CoCom members. As one com-puter executive says: "In the bother to encrypt a message is when you're giving the enemy's position, since he already knows

Some CoCom members such as the UK, join the US in seeing positive advantage in at least de-mystifying the Paris committee as simply the venue for allies to co-ordinate national policles, rather than some sinister Smersh-like organisation somehow for the benefit of US But most US allies would recoil

from the full glare of publicity shining on rue de la Boetle. It is not just a matter of domestic political inhibitions. Much of CoCom's work in agreeing "exceptional" sales is sensitive exceptional sales is sensitive commercially in that it could be used, or abused, to provide market tips to rivals. More important, publicity could quickly lead to politicisation, taking the form of opposition to CoCom. Spearheading that opposition might be rowerful alligned of the opposition.

A laser brain for Bonn

For the moment, Christopher Mallaby, aged 51, deputy chief Secretary to the cabinet, is probably most famous for having ducked all the mud that has stuck to his luckless boss, Sir Robert Armstring during the Robert Armstring, during the Spycatcher affair. A clumsier deputy might have fallen with his sherriff. But Mal-

laby, his reputation and career intact if not enhanced by the sheer skill with which he has kept himself out of trouble, was named yesterday as Britain's new Ambassador in Bonn. Mallaby was in the Bonn Embassy as minister from 1982 to 1985 and won himself a fero-

cious intellectual reputation.
Tall, thin, and balding, he is
described by one friend as being
"extremely clever to the extent
of tactlessness". The Germans expect British ambassadors to be aloof and arrogant. But Helmut Kohl's gov-ernment has never treated Lon-don with quite the same respect that Helmut Schmidt used to

France is the flavour of the month in Bonn. But with Mal-laby, by all accounts, the Ger-mans are in for a wholly new

kind of ride. 'Laser brain', as he came to be Laser brain', as he came to be known in Bonn, impressed Mrs Thatcher during his time in Downing Street, and played a major role in putting together the Angio-Irish Agreement.

But the appointment is, on balance, probably not a political one. Mallaby is not thought to be very taken with "Thatcherism". An apparently tireless and "boundlessly self-confident" lobbyist, "he is one of the brightest people in our service", says an

byist, "he is one of the brightest people in our service", says an admiring acquaintance.

Mallaby went to Eton and Cambridge. One of the British foreign services' top Sovietologists, he speaks fluent Russian and German. He is likely to take more than a passing interest in the blossoming affair between Bonn and Paris — not least because his wife is French.

Men and Matters

The lead the US claims and wants to protect

together at Bristol's Grand Hotel Combining work with pleasure
they have all promised to be
back at their desks or whatever
by 10am - they will be introduced to the business of starting

concern. However, this will be no orditary seminar. Indeed it promise to be quite an entertainment. The idea stems from the

accountants Peat Marwick McLintock Instead of the slides and graphs that help keep men awake, subjects like covenants for children in higher education, inheritance tax, maintenance payments for divorced mothers, and creche facilities, will be contained within a playlet.

Peats will have Mary
McCombe, who runs her own

employment agency in the city on hand to introduce the morn-ing, which has attracted doctors dentists, lecturers, teachers bankers and even an artist. Sue Towner of Peats says that while the novel format is intended to provide an insight into taxation and finance for professional and business women it is also intended to be an out-

line of what business is all about for those who might want to start on their own. One of the subjects on the agenda is dress allowances. I wonder how often that has been a matter for board-room discus-

Complaints time

Tory backbench critics of the Post Office are in no mood to allow the settlement of the dispute which threatened the Christmas mail, or the seasonal spirit, to deflect them from pur-Tomorrow morning at the suing their quarry.

uncompanionable hour of eight Teresa Gorman, who entered o'clock 40 women will gather the House in June as the Conser-

vative successor to Harvey Proc-tor as member for Billericay, yes-terday gave notice that on January 12 - the day after the House reassembles after the Christmas recess - she will seek leave to introduce a private member's bill to end the Post Office's "exclusive privilege of

conveying letters.

The bill has virtually no chance of becoming law. But by using the 10-minute rule processing the statement of the control dure Mrs Gorman will have an opportunity to speak at prime time in the Commons to deliver more complaints about the Post
Office which is last approaching
its old stable companion - the
now privatised British Telecom - as a front runner in the "mos

Season's customs

There's something about December 8, a religious holiday in Austria, which sets Austrian bureaucrats and entrepreneurs on fire, although for different

The entrepreneurs who are on the verge of rebelling, complain that the shops remain closed all day. Bureaucrats, in contrast are in their element. For today is the day that the Austrian customs officials stationed on Austria's border crossings start taking border crossings start taking their jobs very seriously.

Over the Christmas period in particular, thousands of Austrians cross into neighbouring Hungary, venture into Czechoslovakia and Yugoslavia, and drive up to west Germany or Switzerland

land.

Don't think they are going for the sight-seeing. The Austrians go for one reason — to shop.

Hungary, for Austrians at least, is far cheaper than Visnna, now one of the most expensive cities in Europe. At the week-

wines and cigarettes, cigars and the famous Hungarian goose liver. They also visit the doctor, the dentist, and the hairdresser in the Hungarian border town of Sopron. Even west Germany is worth the drive to buy videos and compact discs.

Depending on the time of year, Austrian customs officials turn a blind eye to those who exceed the limits. But last week Ferdinand Lacina, the finance minister who is trying to cut a huge sudget deficit, issued a warning to the effect that no one would

be spared fines.

From today, when Austrians return from making one of last are Christmas shopping spress in flungary, they will face tough customs restrictions at the borders. ders. The relentless Austrian smoker will be allowed take only 200 cigarettes and a mere 2.1 litres of spirits. Those who exceed the limits will have to pay fines or taxes.

Austrians are complaining about this lack of spirit. But the about this lack of spirit. But the authorities in the Burgenland, Austria's most eastern province which borders on Hungary, says this kind of spending by Austrians costs the province over Sch700M (\$35m) a year.

Of course, if things were cheaper in Austria, and if the shops stayed open during the weekend, maybe Austrians would spend their savings at home.

home.

Meanwhile, the Hungarians are complaining too. They reckon they will lose much-needed hard currency with the

Life styles

Some people in the City are not being slow to recognise that we live in uncertain times.

In past years I have received from stockbrokers a great many diaries crammed with such welcome tips for high living as vintage claret ratings, and lists of de luxe hotels.

But this year one London firm is breaking new ground by including in its 1988 diary details on social security entitlements and statutory provisions for

and statutory provisions for

Observer

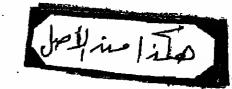
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IF ANYONE in the US, or indeed any other Western country, is still in ignorance about the summit between President Ronald Reagan and Mr Mikhail Gorbachev, which gets underway in earnest in Washington today, they must be either blind, deaf or illiterate.

The American television networks and newspapers have told us everything there is to be known about the sniffer dogs guarding the manholes on Pen-

guarding the manholes on Pen-sylvania Avenue, Mr Gorbach-ev's rebellious behaviour as a student when he penned rude notes to his Stalinist lecturer and "the wife gap" which has opened up between Raisa the intellectual and Nancy the socialite.

Every new wrinkle in the respective US and Soviet positions of strategic arms reductions has been faithfully reported and every "refusenik" outside Siberia has had a microphone stuck in front of him or her. Summit indigestion has become the latest gestion has become the latest, American health hazard, which at least has the advantage at least has the advantage — from Mr Reagan's point of view — of pushing less curable maladies like the economic situation temporarily into the background. Yet, amid all the hullabloo, one absolutely fundamental question has hardly been asked and has certainly remained unanswered is bilateral summitry between the supernowers the

problems and; even if that is accepted, should it be conducted in the way it is at present? The proponents of superpower summitry have an obvious case. It is the piper that calls the tune, in this case two pipers. There is no important international issue no important international issue which cannot be radically influenced by either the US or the Soviet Union individually, or the two powers in concert. If real progress is to be made towards solving such problems, the necessary precondition is usually agreement between the US and the Soviet Union, Furthermore, heads of state can often take the imaginative decisions that lesser

imaginative decisions that lesser officials are either unauthorised

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try between the superpowers the best way to solve the world's

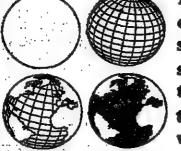
Nuclear arms control, which forms the centrepiece of the summit, is an obvious example. Since the US and the Soviet Union are in possession of most of the nuclear arms in the world, any arrangement to reduce those weapons must depend in the first instance on a bilateral accord, even if the allies of both sides have to be consulted. The agreement on the abolition of agreement on the abolition of intermediate-range nuclear forces (INF), due to be signed today, is a case in point. Strategic arms reduction (Start), on which President Reagan and McGorbachev confidently expect to make good progress, is another. While the British and French nuclear deterrents cannot be ignored and will have to be brought into the equation sooner or later, it is recognised that they make only a relatively that they make only a relatively small contribution to the overall

The danger of leaving the superpowers to their own devices

strategic nuclear balance.
The same is true for the regional problems on the summit table in Washington. Take Afghanistan, for instance. With

strategic nuclear balance.

The same is true for the regional problems on the summit initiative (SDI), was a joint Sovietable in Washington. Take Afghanistan, for instance. With Moscow embroiled in a seemingly interminable war against the Afghan and Mujahideen rebels whose legendary staying power has been bolstered by the supply of US arms, it is plain the plain in the strategic doctrine of the existing strategic doctrine of the s



European viewpoint

that only an agreement between Moscow and Washington for the withdrawal of Soviet troops and a broadly based interim govern-ment can unblock the situation.

Brian Mills, 19 The Broadway,

Thorpe Bay, Southend-on-Sea, Essen

of food in Sudan

There is no surplus

Robert Mauthner examines whether superpower summitry is the best way to solve the world's problems. FOREIGN AFFAIRS particularly from a

> Western alliance. The Soviet union's Warsaw Pact allies would probably have had the same reservation it they had had a say in the matter.
> The lesson of Reykjavic is that

ment can unblock the situation.

The arguments in favour of superpower summitry are therefore convincing, but they are not conclusive. The Reykjavik Summit, of October 1986, between Mr. Reagan and Mr. Gorbachev showed that when two such powerful men are left alone together, things sometimes get out of land. Their vision of a nuclear-free world may have been shared by many people on this planet. But that is hardly the point.

The lesson of Reykjavic is that it is sometimes dangerous for others to leave the superpowers to their own devices, and that the remote control system of preand post-summit consultations by the US with Nato allies does not always function as it should. Mrs Margaret Thatcher, the British Prime Minister, is alone among the leaders of Washington's allies — who tend to complain bitterly but ineffectually after the event — in taking energetic steps to improve the alliballistic missiles in addition to all medium-range nuclear wespall medium-range nuclear weap-ons, which foundered only on Reykjavic.



she went to see President Reagan at Camp David to present the given a boost to the plan to confirming the 50 per cent reduction of the Western arms control position, including the 50 per cent reduction of trans. the 50 per cent reduction of strategic nuclear weapons to be dis-cussed at the present summit.

Again, last weekend, it was erly thought-out European defence policy and strategy.

Public expressions of support for US policies ahead of summits are often dictated as much by the desire to give the other side an impression of unshakeable an impression of unshakeable Western solidarity as by anything else. As a result, the nuances of European positions are sometimes lost. Such was the case with the declaration of support for the INF Treaty issued by the heads of government at the European summit, in Copenhagen, last weekend.

It is certainly true that the European members of Nato have always backed the elimination of a substantial number of medi-um-range nuclear weapons. How-ever, most of them would have preferred a zero to a double zero option, which would have kept in place the shorter-range INF weapons and thus have given greater credibility to a continua-tion of the alliance's strategy of

set cuts, has revived latent fears only themselves to blame.

Equally, a 50 per cent reduc-tion of the superpowers' strategic nuclear arsenals, supported at least in principle by both the US and the Soviet Union, has impor-Again, last weekend, it was least in principle by both the US and the Soviet Union, has important Reagan by letter to agree on a compromise with Mr Gorbachev on SDI — a compromise which it has to be said was already being mooted by both sides. It can hardly be argued however, that such ad hoc and often belated actions are an acceptable substitute for a properly thought-out European defence policy and strategy.

But the principle by both the US and the Soviet Union, has important implications for Europe. The, the proposed reduction of strategic weapons would not undermine the hallowed strategy on nuclear deterrence espoused so enthusiastically by the French and British governments. Deterrence can be as great at 6,000 nuclear warheads on each side as it can at double that number. But the trend towards a much But the trend towards a much lower level of nuclear armament, even if it does not lead inevita-bly to denuclearisation, certainly shifts the emphasis of arms con-trol back to conventional forces and especially those stationed in

> Given the considerable conse-quences for Europe of any superpower decisions on arms control it would not have been unreasonable to expect the Europeans to prepare a coherent position on security and defence, which would have fleshed out the joint accurity platform adopted by the seven-nation Western European Union in the Hague last October. Such a document could have been taken into account at the

Instead, we again have the sit-uation in which the US and the Soviet Union have been given, if not a free hand by the Europe-ans, at least a brief that is lack-ing in precision and detail. In the What the European declaration admittedly unlikely event that of support has failed to signal to President Rengan is tempted the Washington summit is that once again to indulge his utopian the double zero option, coupled fantasies, those on the European with the latest US defence bud-side of the Atlantic will have

Urban renewal

Why Sheffield prefers its own solutions

By David Blunkett

Major new shopping and lei-

sure complexes are either under construction or about to be com-

take place in Sheffield in 1991, and the commencement of con-struction schemes for this, helps

struction schemes for this, helps to act as a catalyst for wider economic regeneration. Above all the prospect of the proposed regeneration of the Lower Don Valley (the former steel and engineering heart of Sheffield) offers hope for the 21st century.

imposed upon it an urban devel-opment corporation. The ques-

posed as their mean southern an urban regeneration project, which would allow for central government funding as a lever for private sector investment on

the ratio of three to one.

SHEFFIELD has always prided that it is necessary to consider itself on its own special identity, the initiatives now being taken. itself on its own special identity. Sometimes this can be seen as very parochial, but it has the great advantage of drawing peogreat advantage of drawing people together so they feel an affinity both to others living in the city sand to the concept of the development of the Pond city itself (something the Prime Minister was commenting on in respect of her memories of civic field Science Park. The very pride and manicipal government in an interview with the Financial Times on November 23).

Actions by "outsiders" are, therefore, always treated with suspicion whatever the politics of the evangelist or missionary. Yesterday's announcement by the Secretary of State for the Environment of a number of new mini urban development orporations to administer local inner-city regeneration pro-grammes is seen in this light, al-though Sheffield is not included, at least for the time being.

A positive response by the Government to a locally agreed solution is of great concern to all living working and having their future rooted in the city of Sheffield. Rapid economic and social change, the decline of the highly skilled and high status steel and engineering base of the city led to sharp words and the empha-sising of ideological differences. Much of this has now been overcome by people talking with each other and recognising that we swim together or sink sepa-

As a result, politicians repre-senting Sheffield on the city council, Members of Parliament (there are six of them), the Chamber of Commerce and local industrial and commercial interests, the university and Sheffield City Polytechnic, research asso-ciations and community groups are united in their desire to work together to find a solution to the rapid change which has beset the city.

Agreement is now evident that the Government's political pre-dominance has to be acknowl-edged. Yet the central role of the city council, as by far the largest employer and major economic contributor, has also to be accepted. The council in its turn now welcomes the partnership between the private and public sector, between local industry and all the various elements tha go to make up a proud and skill-ful city - not a down-trodden, demoralised urban sprawl. It is with this background in mind

unlike the imposed solution of a UDC, the city council and community would have a part to play in the planning and implementation of the programme. Instead of a chief executive and wholly appointed board posed on the city by the Secretary of State, the proposal agreed by all the interests mentioned here would genuinely build on the local partnership already established.

Of course, all concerned are naturally worried that the question might be 'you get what we intend to give you or nothing at all'. Nothing at all would be a major disaster for this area and its chance of revitalisation and grasping the opportunities of the new technological revolution. Britain's fourth largest city needs government support if it is needs government support if it is to survive.

It is this latter scheme which forms the basis for debate about whether Sheffield should have Yet it wants to be able to do it in its own way with people genu-inely finding answers for them-selves and working out solutions tion is not whether Sheffield welcomes the support and backwhich fit the history, the culture and the craft skills of the city. The very basis of democracy envisages that people can have a say in determining their own lives. An enterprise culture must ing of central government in terms of cash, nor the fact that the private sector will have a major part to play in determin-ing the shape and nature of the surely entail giving people the ability to use their initiative to the full. development, but whether the

development, but whether the government has to impose a stereotyped solution on the city. It has been hoped that Sheffield may be used as an example of a willingness to have at least a little open-mindedness about the possibility that different economic, social and political cultures - genuine diversity within the United Kingdom - might gain recognition from the ideologues within the Cabinet. The consultancy established between the Sheffield City Council, the Chambers of Commerce and the British Steel Corporation, together with the Department of the Environment and the Department of Trade and Industry, who wish quite clearly to involve local people in both finding solutions and in their implementation, and the Department of the Environment whose politicians appear determined to carry through a pre-set format for every circumstance. It is to be hoped that some commonsense can prevail in ensuring that give and take is accepted in the spirit of co-operation now evident in Sheffield, rather than cynically crushed in order to exploit the realistic steps taken by political opponents. This could only be seen as urban regeneration project, which would allow for central

vindictiveness of the worst order, rather than a genuine attempt to restore full employ-ment, regenerate the economy and contribute to the general well-being of the region as a

Their proposals, therefore, envisaged slightly less public investment than was currently envisaged for some other urban investment than was currently and any saged for some other urban Brightside and former leader of development corporations, but Sheffield City Council

Reluctant engineers

··· From Dr Colin Boswell Sir, You report (December 3) the immediate outburst of criticism by the Engineering Council of the article in the Department of Employment's Gazette which of Employment's Gazette which reveals that, in terms of the number of engineering graduates emerging from universities and polytechnics, the UK does not suffer "a significant disadvantage compared with our competitors." The Director of the CBI totally disagrees and states that "everyone working in engineering knows that Britain needs more and better engineers."

totally disagrees, and states that inviting her to become a credit everyone working in engineering knows that Britain needs more and better engineers.

It does not seem to occur to offer is up to \$5,000. My daughthe critics that both viewpoints. She receives only a very modest may be equally valid and for a very simple reason: the reluctions of the receives only a very modest tance of our engineering graduates to enter the engineering graduates to enter the engineering graduates.

Brian Mills.

industry.
For three years I have acted as external examiner for French course units at a prestigious technological university. During the course of the oral examination with engineering finalists, the conversation would inevitably come round to the candidates alanged future career. bly come round to the candi-date's planned future carear. It was astonished at how many (roughly 50 per cent of the chemical engineers) reported that they hoped to become an expert comptable. It would seem that we have an

It would seem that we have an insatiable appetite for accountants in the UK, for one major accountancy firm reports that it currently rectuits annually 400 graduates (of any discipline). Perhaps the line of work in confortable, and well-furnished offices is stronger than the night-shift at Scunthorpe. But there is also the question of salary. Presumably the critics of the Department's report are.

of the Department's report are believers in market forces. If it really is true that there is a desperate shortage of engineers, perhaps there is a simple market

Colin Boswell, Warmington Tower, Lewisham Way, SELA Unsolicited loans to young people

From Mr Brian Mills.

Sir, Is it not time there was an 28 Emismore Apenase, investigation into the unsolicited. Guildford, Surrey

From Mr James Bourlet.

Sir. Paul Craig Roberts interaction of fiscal and mone: ity (or to finance particular at least, the "damage" has (November 11), Samuel Brittan tary policy, and places surealismet (November 12), Peter Oppenheise tic expectations on any future male or capital infrastructure of their banking on to be retained its therefore their banking of their banking of their banking on the property is now to be retained its therefore the first of their banking of their banking of their banking to be retained to the property is now to be property to the property is now to be property in the property in the property is now to be property in the property in the property is now to be property in the property in the property in the property is now to be property in the property in the property in the property is now to be property in the prope

attempts by certain of the banks Employees could to get young people to borrow money beyond their means, with pay the same price - of course - disastrous conse-Only last week my oldest daughter, who banks with a major joint stock bank, received two separate, unsolicited communications from that bank institute has the banks and the control of th

Letters to the Editor

From Mr David Cohen.
Sir, The Government has just published draft legislation to exempt directors from income tax on any benefit which they derive from being entitled to priority allocations in new issues. I am writing to draw attention to a flaw in the draft wording which would unfairly exclude certain employees from the

The draft clause is expressed as applying only to fixed price offers. An earlier Government press release explained that the press release explanted that the exemption will not apply where the offer to the public is wholly by tender and the employees are entitled to subscribe for shares at a fixed price below the price for which shares are sold to members of the public in the tender.

From Mr M. Saith.

Sir, Mr Charles Gurdon's suggestion (Letters, November 28) to a case in which the employees would be ideal if there were a are entitled to subscribe at the surplus of food in Sudan. Alas, there is not.

This statement clearly refers gestion of the multiple and the minimum tander price, whereas there is not.

surplus of food in Sudan. Alsa, there is not.

Sudan's crops this year are short by about 40 per cent on average in four provinces. Korabet by about 40 per cent on average in four provinces. Korabet by about 40 per cent on average in four provinces. Korabet by about 40 per cent on a discounted price, it is understandable that they should be treated less favourably than about 70 per cent. Already a sack who are paying exactly the same price as the public.

In the north east alone, employers and trainers have pointed forces to produce programmes for supervisors and middle managers that are skills based Sudan, the main grain area, is fetching 1000 Sudanese pounds in Wan in the south west of Sudan.

The Government has ahready announced that there are about three million people in the west and south west who urgently need food to be sent to them. The more common form of About 650,000 tons of the more common form of About 650,000 tons of the more common form of the more common form

Perhaps the omission reflects a Derwent House, belief on the part of the Government that the acquisition of pri-

ority shares at the striking price in a tender offer can never constitute a taxable benefit and that such employees therefore do not need the protection of the new exemption. But if a tender offer is over-subscribed at the striking price and the shares go to an immediate premium, the benefit is surely just as tangible as under an equivalent fixed price offer.

If it is acknowledged that this discrimination against tender offers is unjustifiable, then the position can easily be rectified while retaining the tax charge
for employees who acquire
shares at the minimum tender price - by providing that the new exemption will apply equally to fixed price and tender offers, but in each case only if the employ-ees pay the same price as the general public.

David Cohen, Paisner & Co, Bouverie House, 154 Fleet Street, EC4

Training happens north of Watford

Prom the Programme Manager. Northern Regional Manage

Sir, Am I the only reader of your newspaper to find objec-tionable the extreme southern bias of your survey on training (November 18)?



Ideal Homes flying the flag for Trafalgar House.

The success of a group like Trafalgar House is only as great as the successful sum of

Which is why we were particularly excited both by the six Pride in the Job awards and a top regional award received by Ideal Homes this year.

The building industry's highest accolades are not given lightly. The National House Building Council award only 100 each year for outstanding workmanship and quality.

Ideal's best ever haul was proof of a growing status both within and outside the

industry. It's a success that everyone in the Trafalgar House Group will be building on for



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The alternatives are a measure of US inflation - or a depression

Alan Bartlett (November 23) deficits.

Alan Bartlett (November 23) deficits.

Consider for a moment that reductions and that the US government other developed countries (such ment deficit was not the immediate government deficits while cresh, and that a more plausible despite having inadequate nominations, and that a more plausible contral cause was the rises in US and domestic savings avoiding interest rates during the preceding few months, necessitated by bonds abroad. This is achieved reconstruction), their banking now to be retained it is therefore institutions algorithment insti ment denor was not the immed; as may 3 co on occasion rim large ate reason for the stock market government deficits while crash, and that a more plausible despite having inadequate nomicentral cause was the rises in US nal domestic savings - avoiding interest rates during the preceding few months, necessitated by bonds abroad. This is achieved a fear in the US of foreign (and through an accommodating months and the strength of the contract of

particularly Japanese) disinvest etary policy.

ment in IIS honds.

To spell this out bluntly, gov-

ng few months, necessitated by bonds abroad. This is achieved cles have been temporarily reconciled through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months in the US of foreign (and through an accommodating months). It is that the US of foreign borrow in the US of foreign bor

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Government's fight against the Contras has led to hyper-inflation reports Robert Graham in Managua

Nicaragua prints its way to economic ruin

ADJECTIVES are fast running out to describe the plight of Nicaragua's crumbling economy. The effects of sustaining the war against the US-backed Contra rebels are becoming more wide-spread and more acute by the

The chief barometer of the increasing shambles is hyper-inflation, caused by the printing of money to finance the war, which accounts for more than 30 per cent of government spending. Budget receipts cover less than 60 per cent of total expenditure. The opposition in Managua wryly comments: "The Sandinistas haven't liberalised the press, only the presses." Inflation is unofficially running at 1,500 per cent a very

The economic situation has deteriorated so fast that it threatens to undermine the will to fight and provides the most powerful incentive for the Sandi-

appearance in October of clutionary economics a 20,000 cordoba (\$10) note, over-printed on a denomination of 20, has become a potent symbol of the nation's worthless curvate sector job for \$160 a month,

year ago at the little-used official exchange rate 20,000 cordobas would have bought \$285 and \$7 on the free market. By July it was worth just more than \$2 on the free market and has were faller below \$5 cordo. now fallen below 95 cents.

The accelerating decline in the value of the currency is encour-aging an ever-growing dollar economy on the one hand and non-monetary exchange on the other, as people rely on govern-ment rations, barter and back-

in a world where cordoba wages have lost 75 per cent of their purchasing power since 1980. The Government recognises this by giving pay bonuses which can be cashed at the special dollar stores - now an essential ingredient of Nicaragua's contorted rev-



vate sector job for \$160 a month, three times the purchasing power of his cordoba pay.

The dollar economy is fanned by the existence of the large Nicaraguan community in the US, which remits an estimated \$130m a year. The central bank and its foreign exchange arm, the Casa de Cambio, handle as little as 4 per cent of this. The war is making ever bigger demands on scarce labour. With 10 per cent of the labour force on call-up and a growing number of war invalids, there is a serious little as 4 per cent of this, according to a recent study by the semi-official Nicaraguan Eco-nomic Research Institute. Scarcity of essential goods because of production and distri-

garden produce.

The dollar is the sole security inflation and the merest whisper relation and the merest whisper when management tightened senctions on pilfering and this loss and trade is stagnant. This year exports will earn demand for the last quarter. Some at dizzying speed. In less than four months the price of a lack of foreign exchange to buy how this gap will be bridged and spares, limited credit, power fall-nothing on its 570m foreign debt, labour is sapping the lifeblood of although annual payments of price rises can keep products such as petrol and eggs mysteriously off the market. Prices are rising at dizzying speed. In less than four months the price of a pound of beans has risen from 5,000 to 8,000 cordobas.

A system of rationing cards at

impact of scarcity and inflation. This mainly applies to the countryside, where the Sandinistas have consciously sought to retain the allegiance of the "campesines" who are in the front line of the battle against the Contras

labour shortage for harvesting coffee, the main cash crop. Discontent among organised labour is more noticeable. Last month workers at Corinto, the country's 'main port 'on the Pacific, walked out for two days

always sought to be sympathetic to government policies: "Produc-tion is slowly grinding to a halt."

Tanic, the tobacco monopoly controlled by BAT, the multina-tional conglomerate, is waiting to obtain a mere \$9,000 for spares to clean its boilers, some-thing it is obliged to do by gov-ernment regulation.

The shortage of foreign exchange is a direct result of the

US economic and trade embargo on Nicaragua. The Government estimates that up to last year, losses caused by the war and the

gua received \$231m in bilateral assistance last year and \$23.3m from international agencies in the year to May 1987. The Soviets have stepped in with military aid, credits and commodity assistance, but not as generously as the Sandinistas would like, or

The Soviet Union now accounts for 40 per cent of Nicaraguan trade. According to Soviet figures, this two-way trade last year was worth 284m roubles (\$476.7m) However, the Soviet Union has

However, the Soviet Union has been supplying only what is strictly necessary. Earlier this year, vital oil supplies were held back as Moscow tried in vain to get Latin American countries to resume crude shipments. Last month Mexico again refused to make a firm commitment on this caused as it is shown \$550m. this, owed as it is about \$650m for oil supplies.

for oil supplies.

In the past few months the Government has been casting around desperately for further aid and new ideas on economic policy. Advice has been sought on stabilisation programmes and "heterodox shock" treatment from Argentina, Bolivia, Brazil and Peru.

However, all these countries have either had a cushion of international support or their own reserves to launch their pro-grammes. At the same time Nicaraguan officials are none too mpressed by the results.
With the Government uncer

tain where to turn, there is a complete absence of direction in

placed great faith in some form of diplomatic solution to the con-flict in Central America, which will bring with it fresh quanti-ties of sid.

This is a dangerous gamble. If the peace process falls, they will be left more vulnerable to the pressures of continued conflict.

THE LEX COLUMN

The power of ready money

Yesterday's outburst of bid activity showed that there is life in the corporate finance game yet, but it also seemed to draw a significant line between the weak and the strong in the post-crash market. On the one hand two companies with market value of \$200m-odd apiece. MK Electric and Birmid Qualcast, have their backs to the wall against hostile bids for cash. By contrast Williams Holdings, which falls in the \$500m league, seems able not only to make a \$133m acquisition but to induce the institutions to take \$100m-worth of its paper.

paper.
The contrast may partly relate not to the companies prospects but to their absolute size. In the worst days of the crash some of the middle ranking beta stocks proved almost impossible to sell. Institutions might be forgiven for being receptive to offers for their entire holdings in such stocks at above market price, stocks at above market price, especially in the run-up to their year ends. On the other hand, it will be partly a reflection of Williams' greater liquidity that it has been able to mount the biggest cash-raising exercise since the crash.

In MK Electric's case, it is a brave management that is prepared to rebuff not one, but two successively higher cash bids for a company with a lacklustre trading record. RTZ opened the bidding for MK Electric a fortnight ago with a 550p offer pitched a third above the latter's decreased share price, and vestigations. depressed share price, and yes-terday MK Electric rejected a 660p offer from Legrand. Although MK's shares had traded above 700p last week, after news of its abortive flirtation with Sieof its abortive filtration with Ste-mens leaked out, they had never traded at current levels prior to the takeover battle. But judging by the 6p rise in MK's share price to 667p lest night, there must be a belief that MK can still make a credible case for turning down the latest offer which val-ues it at around 17 times current

Granada

could still hold the key to MK's

It can certainly afford the kind of hard-nosed attitude also shown by Blue Circle, which evidently feels that the 50 per cent fully on public relations. With an premium it is offering to Birmid's end-November price matters more than the 13p discount it represents to last night's clossing price of 313p. Williams' shareholders, meanwhile, may yet suffer the disadvantages of market reacted to the appear paper versus cash. Williams' clossing price yesterday of 190p was only 5p clear of the price of the issue. It can certainly afford the kind

-based recession-proof compa-nies which seemed drab in the that Granada needs to do something dramatic to bring sparkle per cent in the current year. to the business in the longer But that still leaves the nonterm. This is where Electronic sugar half of the business to Rentals comes in, and it will worry about. Management

or not to refer should come before Christmas, and in any case no more than 21 days after yesterday's despatch of Grana-da's offer document.

ERG's shares are therefore a delicately poised gamble. The upside may be 10p, but the downside could be double that if Olym

lonka

lenner

downside could be double that if the bld were blocked. Granada's position 'is less clear. Without ERG it might produce earnings growth this year of 15 per cent, giving a multiple of 9 at 272p (with ERG, there would be slight earnings dilution). That might seem fair on fundamental grounds, but the snag is that Granada has drawn attention to Granada has drawn attention to its strengths if it wins ERG, and by implication to its weaknesses if it does not.

S&W Berisford

Granada is one of those UK ation that the company's tradi-based recession-proof compa-tionally high gearing should ies which seemed drab in the work in its favour in times of nies which seemed drab in the bull market and look a good deal more interesting now. Last year's results — earnings per share up 20 per cent, in line with the four year average — may be hard to repeat in 1987-88, but the world of British Sugar, producgroup's main rental business is tivity gains should keep earnings still usefully contra—cyclical. On the other hand, the slow decline in the rental market also means that Granada needs to do some-

is MK's control of a giant chunk of a market that it has not been able to penetrate, and MK's view is that neither bidder has shown that it is prepared to pay the premium necessary for it to concede control. The big danger for MK is that it gets carried away with its own self-importance to the detriment of its own share-holders. If a new bidder does not emerge and both bids lapse, MK will have more than 30 per cent of its shares in the hands of two hostile shareholders. Given that RTZ is the wealthder of the two,

Legrand tops RTZ bid for MK

LEGRAND, the French electricals company, yesterday made a counter-bid for MK Electric, valuing the UK electrical accessories manufacturer at £255m (\$456.5m). This compares to the \$206.5m value of the original unwelcome offer from RTZ, the mining and energy conglomerate. The French company's

move expected. It sig-nalled its intention to bid last Thursday after secumu-lating over 9 per cent of

MK rejected Legrand's counter-bid, saying that the offer price did not reflect either its growth prospects or its "unique" position as UK market leader for elec-trical accessories such as BTZ - which holds 21.7 per

cent of ME's shares after a dawn raid two weeks ago today - said only that it noted Legrand's offer.

Although little known in the UK, Legrand is the lead-ing manufacturer of lowvoltage electrical accessories in continental Europe. ries in continental Europe.
In 1986, turnover amounted
to FFr4.5bn (\$802m), and
pre-tax income to FFr607m.
This compares to MK's
turnover of £141m
(\$252.4m) last year and
pre-tax profits of £19.6m.
Mr Francois Grappotte,

Legrand's deputy-chairman, said that the acquisition of MK would fit well within its strategy of expansion beyond its traditional base in France, where the com-pany dominates the market for electrical accessories in the same way that MK domi-nates the UK market. He said: "There is a com-

plementarity in terms of products, technology and markets served. The offer creates the opportunity for both companies to grow more rapidly than they can

Legrand's cash offer is for 660p per MK share, 110p above RTZ's initial offer above KIZ's initial offer and 59 per cent above the share price on November 23, the day before RTZ launched its bid. MK's shares closed at 667p yes-terday, 6p ahead of the opening price.

World Weather

EC ministers want pressure on US to stabilise the dollar

collapse, they agreed that there was little purpose in a G7 mesting without further measures to counteract the continued weak-

ness of the US currency.

interest rate cuts with a compa-rable rise on the other side of the Atlantic.
Mr Onno Ruding, the Dutch Mr Onno Ruding, the Dutch Finance Minister and former chairman of the IMF interim committee, said a slight increase in US interest rates would bolster confidence in the currency. He said the US economy was suffering from two major problems: the size of the federal budget deficit, and the low level of savings.

savings.

Mr Nigel Lawson, the British
Chancellor of the Exchequer, said there was no sign of a deci-sion yet on a G7 meeting, but the move was now up to the Americans. He felt the European Community could not take any decision to influence that.

They described the US agreement to reduce the budget deficit as "encouraging," adding that it was "important that early Congressional approval is followed rapidly by its implementation". No formal statement was issued from the lunchtime discussion, but individual ministers reported the conclusions that the US should be asked to match last week's co-ordinated European with the statement was accounted to agree on any action until they see the revised fore-

> The present report sugge overall growth rate of 2.2 per cent for 1987 and 2.3 per cent for 1988, and they seem certain now to be revised substantially down-wards. New figures will be presented in February.

> "The size and nature of these revisions will strongly depend on when and at what level financial and exchange markets stabilise," the ministers concluded. Given the uncertainties in the world economy and the Community, they agreed that guidelines for economic policy in the different member states should be changed in the light of the new

Mr Ruding said the ministers Washington: A Reagan Adminimisers trates are anathema to also voiced strong criticism of istration official yesterday the Administration, which is the currency policies of the played down the need for a fearful they could halt US newly industrialised countries of Group of Seven meeting, noting growth and bring about a recessouth-East Asia, which had tied that the recent fall of the dollar sion.

EUROPEAN Community Finance Ministers yesterday urged their colleagues in the Group of Seven (G?) industriated surpluses. This amounted to a distortion of competition, he alised countries.—Erance, Italy, the UK and West Germany — to increase pressure on the US for a rise in interest rates to stabilise the dollar.

The Finance Ministers' meet interest rate cuts of 49 per cent forecasts of both EC-wide and the state of the world economy in the wake of the stock market upheaval.

They described the US agreed to call for revised interest rate cuts of 49 per cent forecasts of both EC-wide and the stock market upheaval.

They described the US agreed that there were to reduce the budget deficit. interest rate cuts of 4/2 per cent by seven European governments, led by Britain and West Ger-many, matched by a gradual 7 to 8 per cent drop in the value of the dollar against the yen and the D-Mark since just before the October stock market crash. The official added that West Germany had also taken mildly reflationary measures, while Japan had revealed strong eco-nomic growth and improved trade figures with other nations.

nomic growth and improved trade figures with other nations.

The official's comments – highlighting favourable policy moves by the Europeans and currency market trends – suggested that the Reagan administration is not pushing for an early G7 meeting Some observer. early G? meeting Some observers say this is because the Americans have little to offer to the Europeans until a budget deficit reduction package is finally hammered out between the White House and the Con-

The official said that the basic two-year \$76bn package was "in place" and that it would feasible

to arrange a meeting. "It is a close call," he said.

The official declined to comment on whether the Federal Reserve had been intervening in support of the dollar. Market analysts have registered Fed sup-Lionel Barber writes from port in recent days. But higher

L.F. Rothschild to lay off 700 staff BY JAMES BUCHAN IN NEW YORK

L. F. ROTHSCHILD, the Wall Street securities firm which lost a quarter of its equity capital in the stock-market crash, is laying off more than one-third of its workforce in a desperate bid to preserve its 88-year-old business.

The firm, in which J. Rothschild holdings of the UK holds an 8 per cent stake, said yesterday. The layoffs, which began with the r700 employees after negotiations on a sale or capital infusion were broken off. The firm said it to the market's disastrous collapse in October. Last week, the around 40 per cent from the 2,000 employees with which its

Gorbachev in the UK

Continued from Page 1

with Mr Gorbachev concentrated on arms control and there was a separate meeting between Sir Geoffrey Howe, the British Foreign Secretary, and Mr Eduard Shevardnadze, the Soviet Foreign Minister. This was con-

last March had not yet quite lived up to original hopes. She added that the talks would lead to the efforts being stepped up, and she hoped there would be confidence on human rights issues, the Gulf, and trade matters. Sir Geoffrey said that there had been some improvement in confidence on human rights progress. This apparently refers to a couple of major deals involving the construction of chemical processing plants.

Mrs Thatcher's discussions who had been imprisoned Mr Aleksander Yakovlev, the with Mr Gorbachev concentrated

increase in staffing levels.

Big Bang *'increased'* City stress'

STRESS is five times more

including, alcohol and Aids - to affect the health of Britain's financial employees since last year's financial deregulation, a major survey has revealed. Mr Roger Stubbs, deputy manging director of Mori, the UK market research company, said yesterday at a London conference on the health effects of financial deregulation that personnel deregalation that personnel heads at two-thirds of UK financial institutions sur-veyed by Mori identified stress as a major health

Alcohol and Aids were mentioned by only 13 per cent as health concerns, heart disease by 11 per cent and smoking by 9 per cent. Mr Stubbs told the confer-Mr Supple told the conference, organised by Bupa, the UK private health services organisation, that Mori had surveyed heads of personnel in banks, insur-

ance companies, stockbro-kers, accountants, building societies, finance houses, investment trusts and discount houses.
In building societies,

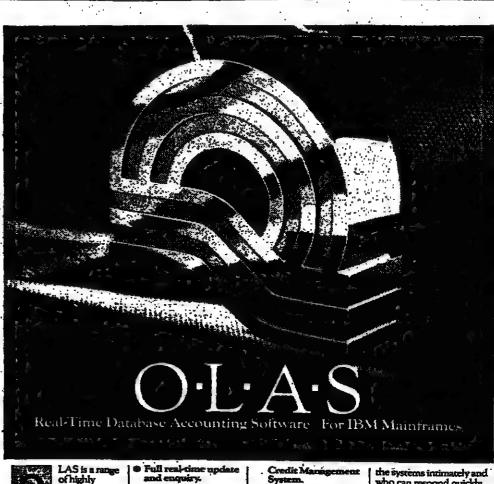
stockbrokers and secon-tancy firms, the proportion of personnel heads mention-ing stress as a major health ecz was 90 per cent, he Asked which health con-

cerns had become more prevalent in the year since financial deregulation, 35 per cent mentioned stress, with smoking in second with smoking in second place at 11 per cent. No other issue was mentioned by more than 7 per cent.

More than half of those questioned said they believed that stress in their organisation was caused by the volume of work. One-third mentioned long hours. Some 29 per cent mentioned "pressure on people to per-"pressure on people to per-form."

Dealers and analysts, however, had a slightly dif-ferent view of what caused ferent view of what cansed stress. "When we asked these front-line troops what aspects of their work they found particularly stress-ful, considerably more men-tioned pressure on perfor-mance and things like 'vast sums of money at stake's and the intense concentra-tion required, than men-tioned workload and hours by themselves," Mr Stubbs

When dealers and analysts were asked what hours they worked, the average response was about 45 hours a week, he said. Only 7 per cent reported working more than 55 hours a week. Mr Cohen said that the level of stress within his organisation had increased as a result of the need to learn new skills, the intro-duction of new technology, the bank's move to new premises and a dramatic increase in setfing level.



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SECTION II - COMPANIES AND MARKETS FINANCIALTIMES

BritishWindows&Doors for the World

Tuesday December 8 1987

Olympia & York delays decision on offer for Santa Fe

Dany.

OLYMPIA & YORK, the Cana-dian property and resources unchanged from last week's group controlled by the intensely close. out MPIA & YORK, the Canadian property and resources group controlled by the intensety private Reichmann brothers, has revealed in a filing with the SEC that it does not "presently intend to propose" a cash offer of USS63 a share for Chicago-based Santa Fe Southern Pacific.

However the feet-drowing

However, the fast-growing company, which holds 6.94 per cent of Santa Fe assuming the exercise of certain options, made it clear it remained interested in exploring "alternative transac-These might include a cash

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offer, a restructuring or other alternatives.

The announcement appears to reduce further the likelihood that a cash offer of \$9.95bn for the railway, resources and prop-erty conglomerate will emerge in the light of current capital mar-

ket conditions.

Olympia & York also said it asked Santa Fe Southern Pacific for certain additional informs-

price was trading at \$41 unchanged from last week's
close.
Both Olympia & York and Mr
Michael Dingman's Henley
Group, which holds a 14.7 per
cent stake in Santa Fe, had been
challenged in November by Mr
Robert Krebs, Santa Fe's new
chairman, to come up with cash
offers of \$63 a share for the company.

This followed the demise of much of Santa Fe's own restructuring plan – which would have involved the repurchase of about 133bn of its own stock and the sale of various businesses intosale of various businesses interests - in the wake of the world stock market crash of October

Henley subsequently put together a \$63-a-share offer -but only in the form of cash and securities, rather than the cash-only bid which Santa Fe was

Santa Fe has been widely regarded as vulnerable to a take-Certainly, Wall Street continues to value Santa Fe at a substantial discount to the desired offer price. At mid-morning yesterday, the company's stock regarded as vulnerable to a take-over since the Interstate Commission ordered the disposal of one of its two rail-ways for anti-competitive resterday, the company's stock

Tonka expects loss after Kenner Parker purchase BY OUR FINANCIAL STAPF

TONKA, the US toy maker. Tonka carned \$22.3m or \$3.04 expects to report a net loss of a share on sales of \$293.4m. Kensem in 1987, followed by a ner Parker's 1986 earnings were recovery in 1988.
Mr Stephen Shank, the company's president, said 1988 would be a transition year, with results falling in a range of break-even to a profit of \$10m.

The 1987 net loss will result mainly from costs associated with the recent acquisition of Kenner Parker Toys, which made Tonks the US's third-largest toy manufacturer. Tonka added that it would report a modest operating profit for 1987.

\$16m or \$1.22 a share on revenues of \$502.8m. For the first nine months this year Tonka carned \$4.7m or 61 cents a share on sales of

hr Shank said the 1988 return to profitability would be based on the introduction of new products, strong sales of its SEGA video games, Kenner Real Shopbusters and Parker Brothers board games, growing interna-tional business, and cost reducWILLIAMS HOLDINGS ACQUIRES PAINT GROUP FROM HOECHST

UK group buys Berger for £133m

WILLIAMS HOLDINGS, the

production of own-label paints for retail customers.

In June, Williams acquired the Crown paints business — along with the Polycell Do-It-Yourself operations — from Reed Interational for \$250m.

around 5,300 worldwide. Yesterday the company said the disposal reflected its decision to
concentrate on the industrial
paints and coatings market,
rather than the consumer end.

Berger, which takes in 36 separate companies operating in 25 shares - 16.9 per cent of the

WILLIAMS HOLDINGS, the addition to its paint countries, has also united from acquisitive UK industrial conspicuous, Berger takes in the glomerate, yesterday made its Cuprinol wood preservative second major move into the decorative paints market within six solvent resins and has extensive profit of just \$6.26m overall on

solvent resins and has extensive overseas interests — notably the Robbialac brand in Portugal and Selleys DIY goods in Australia.

It also has a 100-strong chain of trade centres in the UK, servicing the professional decorative market. Williams acquired 70 similar centres with its Crown purchase, but said there was a good geographical fit, with Crown based heavily in the Midlands and Berger further south.

Berger was acquired by Hoechst in 1970 and employs around 5,300 worldwide. Yesterday the company said the dis-

under 10 per cent to about

Analysts said it was an essentially defensive strategy to preserve outlets for its papers and chemicals in the face of stiff competition

from Japanese companies such as Puji Photo Film.

15 per cent.

enlarged equity - which have been conditionally placed with institutions at 185p.

Of the new equity, \$70m has been conditionally placed with seven institutions; the remain-der, more widely. The Berger deal has been under discussion since August, but yesterday Wil-liams declined to say how much the price had been reduced. Its own shares had dropped from a high of 347p this year to 205p ahead of the announcement, and closed 15p lower at 190p.

The acquisition also gives Williams a 20.8 per cent interest in A.G. Stanley, the UK home decorating materials retailer which takes in the Fads chain which takes in the rads chain and to which Berger is a major supplier. Yesterday, the two com-panies said there had been no contact, but Stanley shares rose 10p to 163p on news of the Wil-liams interest.

J.P. Stevens advances to \$56m in year

By Our Francisco Stell

J.P. STEVENS, the US textile manufacturer, has reported record earnings of \$55m, or \$3.29 a share, for the year which ended on October 31, compared with \$53.7m, or \$3.01, in the pre-

vious year. Stevens said it had not so far

Stevens said it had not so far been affected by uncertain financial markets and its plants continued to operate at near capacity, except for Stevens AutoProducts, which was adjusting to lower industry sales.

Stevens also said it had so far bought about 936,500 of its shares, at an average price of \$27.78 a share, and had 15.6m shares outstanding. Its board had authorised the repurchase of up authorised the repurchase of up to 2m of its shares.

Kodak subsequently spun off Fox's retail operations while retaining the whole-sale business which it ren-amed Ektra photofinishing. Both American and Ektra to 2m of its shares.

The company added that cotton prices had been less volatile recently and if they remained at or near current levels, charges to its inventory should be minimal.

For its fiscal year, charges related to the inventory came to 55 cents a share. are to be linked with the joint venture, along with Kodak's other photo!inish-

Telex receives \$56 a share takeover bid from Memorex

TELEX, the US computer peripheral equipment manufacturer, has received a takeover offer from Memorex, the computer memory group spun off from Unisys a year ago and now Lon-don-based.

Telex has also rejected as inad-equate the offer of \$55 a share from Mr Asher Edelman, the New York raider, who has been stalking the company for several months.

Mr Edelman cut his original offer of \$65 a share after the October market crash. He also appeared to run into difficulty raising money for the deal.

Memorex, which has manufacsemorex, which has manufac-turing operations in Belgium, Ireland and southern France, said it would pay \$56 in cash plus preferred shares with a liq-uidation value of at least \$5 for each Telex share.

Mr Stephen Jatras and Mr George Bragg, Telex's chairman and president respectively, said: "We are familiar with the operations and management of Memorex.
"We believe that synergies resulting from the combination

will consider Memorex's proposal very carefully. Memorex said it might use Drexel Burnham Lambert, the Wall Street pioneer of junk bonds, to help finance the deal. Telex said yesterday it had hired Wertheim Schroederto to advise on the Mamorex proposel.

on the Memorex proposal.

Drexel, however, was also hired by Telex and advised it that Mr Edelman's offer was inadequate. Mr Edelman was believed to have bought about 8

per cent of Telex for less than \$50 a share.

Compaq Computer Corp's sales are continuing to be very strong in the fourth quarter, Mr. Rod Canion, president, said yesterday, Renter reports from Roston.

He told a financial analysts conference that the outlook con-

conference that the outlook continues to be very strong. "In the next several quarters Compaq has the opportunity for continued strong growth."

For the first nine months of 1987 sales rose 80 per cent over the previous to \$791.9m. For all of 1986, sales totalled \$625.2m.

Although Compaq expects "good continued demand at least for the next few quarters, we are going to be conservative in our with Memorax would be advan-tageous to both companies and their customers and the board liring," Mr Canion said.

kets showed no sign of

weakening at present.
The group has secured its

exposure to the dollar for most

of next year through exchange

SCA forecasts 59% rise in full-year earnings

SVENSKA CELLULOSA (SCA), one of the leading Swedish forest products groups, said yesterday

that it expected full-year profits (before appropriations and taxes) for 1987 to reach SKr2.1bn (\$348.8m), an increase of 59 per cent on the 1986 figure of SKr1.32bn. The profits will be boosted by extraordinary gains of about SKr200m from share sales.

because of stock market uncer-tainty, said demand for its prod-ucts in the main European mar-

SCA has moved away from dependency on pulp, which tends to show volatile price movements, and has put a greater emphasis on consumer products in order to escape large SCA, which has postponed a planned share issue in the US

price and dollar fluctuations The new share issue was intended to help SCA make acquisitions in the packaging and hygiene products field.

Kodak and Fuqua Pforzheimer clarifies deal in photofinish link with Drexel By Roderick Orant in New York

CARL H. PFORZHEIMER & CO, a market-making specialist firm on the New York Stock Exchange, has clarified its deal with Drexel Burnham Lambert announced

last week.

Mr Robert Linton, Drexel's chairman, said originally that his firm, one of the largest Wall. Street investment banks, was putting up all the capital in a new entity employing Pforzheimer's present specialist staff. In fact, both firms are contributing capital to a joint venture, known as a joint account on the as a joint account on the

as a joint account on the exchange floor, which will underwrite Pforzheimer's specialist role in 27 stocks.

Specialists are given the exclusive right by the exchange to make orderly markets in a given stock, buying for their own account when there are no other buyers and calling from their buyers, and selling from their inventories when there are a dearth of sellers. The two firms

EASTMAN KODAK, the able to provide consistency and continuity of photofinishing programmes to retailers throughout the US. Kodak bought two leading photofinishers - American Photo and Fox Photo - in the past year to boost its market share from well

world's largest maker of photographic products, and ruqua industries, the diverbation and service com-pany, are to constant hour photofinishing operations in a joint venture represent-ing a significant step in the consolidation of the US

industry.

The operation, to be owned equally by the two companies, will probably produce the largest player in the market with annual revenues of about \$690m from wholesale sales of photofinishing services to drug stores and other retail outlets.

Analysis estimate that, at the retail level, the market is worth about \$3.8bn a

year.
Mr J. B. Paqua, chairman
of Paqua Industries, said
the new company would be

Forstmann Little & Co.

through its affiliate

Lear Siegler Aerospace Products Holdings Corp.

has sold its wholly owned subsidiaries

Lear Siegler Instrument and Avionic Systems Corp., Lear Siegler Avionic Systems Holding Corp.,

Lear Siegler International Corp.

Smiths Industries PLC

The undersigned acted as financial advisor to Forstmann Little & Co. in this transaction.

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August, 1987



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U.K INDUSTRIAL PROSPECTS

MONDAY JANUARY 4TH, 1988

The Financial Times proposes to publish a Survey on the above. The aim of this Survey is to assess the prospects for a number of key industries in the coming year. The main emphasis will be on the U.K. but the international context will be fully explored. Important trends affecting each business sector will be analysed and described. The Survey will review:

International and Domestic Economics, Industrial Investment, Corporate Structure, High Fliers, Companies to Watch and Industrial Sectors.

For Further information on advertising please contact:

Brett Trafford Tel: 01-248-5116 or write to him at: Financial Times, Bracken House 10 Cannon Street, London EC4P 4BY

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

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December 1987



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Arrangei

Svenska Handelsbanken PLC

Svenska Handelsbanken PLC

November 1987

Manufacturers Hanover Limited

partners By Tom Burns in Madrid BANCO DE BILBAO, which

Spanish

other

bank seeks

BANCO DE BILBAO, which withdrew over the weekend its hostile bid for Banco Espanol de Credito (Banesto), is seeking merger partners elsewhere among Spain's private banking sector, with the stated aim of creating a leading financial institution.

Bilbao's fighting mood was underlined by Mr Jose-Angel Sanchez Asiain, the chairman, who spoke of returning to the fray." He cordered senior bank executives to review studies of other banks undertaken carlier this year.

Mr Sanchez Asiain said that Bilbao had not so much withdrawn its bid but had had the public share offer withdrawn from it."

Banesto appears safe from farther unwanted overtures. This is in large measure due to Mr Mario Conde, the 39-year-old chief executive, who took over the helm of Banesto in the midst of Bilbao's contested bid.

Bilbao was reported ves-

Billian was reported yes-terday to have requested a ruling from the Spanish Treasury and Economy Min-istry on the legality of the Madrid stock market's refusal this weekend to

refusal this weekend to admit its share-and-cash offer for Banesto's shares. The Madrid bourse's decision forced the withdrawal of Bilbao's bid.

The shares of both banks were re-quoted yesterday. for the first time since November 20. Bilbao held steady but Banesto rose 180 points to 1,189 secording to the Spanish system which expresses share prices as a percentage of nominal value.

Mr Conde. who icined

value.

Mr Conde, who joined Banesto's board only in October on the strength of his acquisition since last spring of 5 per cent of its shares, was on the cover of the influential news magazine Cambio 16 yesterday and was extensively quoted as calling for a thorough managerial overhaul of Banesto's many pronged Banesto's many pronged financial and business

A newcomer to banking.
Mr Coude is a member of
the Abogados de Estado,
the prestigious civil service legal corps, and is a self-made millionaire basi-

hioticos, to Membelison of Italy for Pta58hn (\$512.8m) and 3 per cent of Moutedi-son. He is on the Moutedi-son board and is certain to be named Banesto's chair-man when the bank's board meets next week. Editorial comment, Page 22

Baer Holding eves stake in funds adviser By William Dullforce in Geneve

BARR HOLDING, parent of the Julius Baer banking group of Zarich, plans to buy a 15 per cent stake in Harbor Capital Manage-ment, a Boston-based investment adviser, with an option to acquire a further 10 per cent.

The deal is subject to approval by the Federal Reserve Board.

Harbor Capital manages about \$1.76n of mainly US institutional money. Baer disclosed no price but a recent analysis indicates that the going rate for 15-per cent of Harbor Capital would be between 55m and 56m.

Baer said it was keen to expand its institutional business in the US.

David Lane interviews the new chief of the Italian fashion house

Gucci heals boardroom wounds

conflict between family share-holders, peace prevails in the boardroom of Gucci, the Italian fashion house which is now managed by outsiders.

Mrs Maria Martellini, a 47-ven-old professor from Milan's

year-old professor from Milan's Bocconi business university, was appointed to the chair in August. appointed to the chair in August.
She was chosen by the custodians of the 50 per cent shareholding owned by Mr Manrizio Gucciand currently held under distraint by the Milan courts.
Along with her came four other independent academics and professionals, making a majority on the nine-member

majority on the nine-me The company has flourished in spite of accusations, counter-accusations and lawsuits between

the warring family factions - as well as penal actions taken by the fiscal and judicial authorities in both Italy and the US.

Mrs Martellini believes the conflict between the now absent Maurizio and his cousins Roberto and Giorgio, all grandsons of Mr Guccio Gucci, the company's founder, may have had detri-mental effects inside the busi-

ness.

She says: "An unlitigious board of directors is essential. The family row prevented consensus and blocked decisions on strategy."

Until last year, Gucc's results thousand a estant was and blocked as thousand transfer. Until last year, Gucci's results showed a strong upward trend. Increasing demand for the company's handbags, shoes, clothes and fashion accessories had taken its turnover from 186bm in 1982 to 1227bm in 1985.

Post-tax profits leapt to Li5bm. However, a weak dollar and a decline in the number of US All this emerged from a sed-tourists visiting Italy left sales (\$185.6m) and post-tax profits and post-tax profits and post-tax profits alid to 16bn.

American enthusiasm for Gueci's landbags denote a brand which Mrs Martellini describe or enormal which Mrs Martellini describe or enormal.

These plans can be pursued without the previous boardroom extended to perfumes, which last year returned profits of L76bm.

The first step taken by Mrs Martellini describe or enormal which Mrs Martellini describe or enormal.*

These plans can be pursued in the congular warming.

These plans can be pursued or L76bm.

The first step taken by Mrs Martellini describe or enter of turnover is general to L76bm.

The first step taken by Mrs Martellini describe or extended to perfumes, which last year returned profits of L76bm.

The congular describe or en



Maria Martellini: rows prevented consensus

handbags denote a brand which Mrs Martellini describes on snor-American enthusiasm for Gue-

detailed information on markets and the consumer, as well as on the company itself," she says.

"We will know exactly the resources we possess and the efficiency with which they are used. The study should also identify opportunities for corporate development."

Ahead of this, she has already identified three key strands of stratesy.

part!

idn

strategy.

Brand image must be maintained. "This means ensuring quality and developing the product in line with its image of traditional, classical elegance."

About 40 of Gucci's 900 Italian employees work in product design, a function which is overseen by a senior management committee.

Broduction needs an overban. "Our main problem is prob-

Production needs an overhaul. Our main problem is probably capacity. I believe that we could double sales, but we are limited by production capacity. Mrs Martellini says.
Export markets are to be developed further. According to Mrs Martellini, large opportunities exist in Europe, particularly in West Germany where Gucci's presence is weak.
The US still offers scope. By

The US still offers scope. By

operating abroad through fran-chising we minimise the demands on our own staff and eliminate the need for invest-

Elkem considers passing dividend

LKEM, the financially troubled will meet on December 17 to

was benind it.

Aliminium prices have stabilised during the third and final quarters of 1987. And although ferro-alloy prices have lagged belind those for sluminium, they have been hardening

group for expanding too strongly into the ferro-alloys market. Earlier this year Elkern paid NKr175m for the ferro-alloy operations of the Orkla Borresard group. lier this year Elkem paid
NKr175m for the ferro-siloy
operations of the Orkia Borregard group.

Mr Kielland said last month the dollar. The company shut its refinery on the west coast of Norway and to step down. The Elkem board train.

THE FRENCH Government has decided to grant Snecma, the state-owned aircraft engine producer, a FFr22bn (\$389m) capital injection to support the company's new engine programmes.

This will be in the form of a capital endowment by the Government to reinforce the aircraft engine maker's capital structure. It will also increase further the state's 95 per cent stake in the

Snecma wins FFr2bn

for engine programmes

Last year Sneems came close finance its share of the produc-to break-even on a turnover of tion costs of the revolutionary FFr15bn after reporting net con-solidated profits of FFr11im the

This followed an advance to sneem to near

year before.

The decline in income General Electric of the US to colrected stagnation in the military aircraft sector which did not offset the development of the engine, with Snecma undertakcompany's business in the civil ing 35 per cent of the project.

Norwegian metals group, said yesterday it might again be forced to pass its dividend.

However, the group, which to Nkr125m. For the year as a incurred a loss of Nkr278m whole a deficit of between (\$42m) in 1986 and is heading NKr100m and NKr150m is expectit in 1987, stressed the worst was behind it.

Attribute a place been about the group's ambiguited to the control of the cont

Mr Nils Joergen Astrop, the chairman, said the group's ambi-tious policies had caused deal NKr5.4bn. He said the group's strategy was not necessarily wrong, but the timing might have been off.

Mr Astrop added that Elkem's

recently.

Mr Kasper Kielland, Elkem's operations had fallen short of expectations. The group is finalising negotiations for the sale of group for expanding too strongly a 70 per cent interest in a power,

tory prices and the weakness of the dollar.

Indeed, the fall in earnings prompted Snecma to cut its 26,000-strong workforce by 800

The company is now linked to big defence projects such as Rafale, the planned French com-bat aircraft, and to large-scale

The Government recently also made a FFr2.5bn reimbursable advance to Snecma to help

This followed an agreement

civil programmes like Airbus.

A number of areas will be covered including:

The Financial Times proposes to publish this survey on the 29th January 1988.

Auctions

A. Commercial property A. Commercial property

B. Residential property and land

C. Agricultural land and farms

D. Industrial investments

E. Retail property F. Plant and machinery

G. Vehicles

H. Fine art

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> > November 1987

U.S. \$100,000,000 SND4010

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ESTITUTO BANCARIO SAN PAOLO DI TORINO

For the six mouth period 4th December, 1987 to 6th June, 1988 the Receipt will carry an interest rate of 71/1% per annum with an interest amount of U.S. \$404.69 per U.S. \$10,000 Receipt. The relevant Interest Payment Date will be 6th June, 1988. Benkura Trust

Company, London

Agent Bank

U.S. \$275,000,000 of which U.S. \$200,000,000 is being Issued as the Initial Tranche The Bank of New York Company, Inc. Floating Rate Subordinated Capital Notes due 1997 Notice is hereby given that the Rate of Interest has been fixed at 7475% p.a. and that the interest payable on the relevant Interest Payment Date, March 8, 1988 against Coupon No. 9 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$199-06.

December 8, 1987, Landon

By: Citibanik, N.A. (CSSI Dept.), Reference Agent: CTTIBANCO

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Notes will carry a rate of interest of 8.9125 per cent. per annum with a coupon amount of £2,215.95

due 2014

CHEMOCAL BONK Agent Bank

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THE STREET

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Dai Hayward on a New Zealand victim of the stockmarket crash

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Financial Te

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LO DI TORDA

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The Mark Street of the Street

CITEM

ance No 19

g Rate Note

By Chris Sharwell in Sydney

THE GROUP run by Mr Kevin Parry, the Perth-based busi-nessman who was behind the Australian bid to defend the

brokers agree that Mr Parry panic among individual share-was among the hardest hit of holders.

plunge. The assets include NBN-3, a New and one of the group's main cash-generating assets, a coastal residential and marina development project south of Perth, and a stake in the oil and gas company Petroz.

and gas company Petros.

In recent months the group has reduced its debt from A\$152m to A\$80m. But heavy qualifications to Parry Corporation's annual report by the suditors and worries about the Impact of the share market collapse have alashed the group's share price.

have alsahed the group's share price.
Last week it sank to 35 Australian cents. Though above its worst of 20 cents, this was dramatically below the peak recorded earlier this year of A\$4.55, and analysts say the company is in crists.

One of the group's remaining

Company is in crists.

One of the group's remaining principal assets is a stake in Pelsart Resources, an Indonesian gold company, but this remains an uncertain quantity. The group's core business has been in retailing and property. The decision to suspend the Sydney project was inevitable after the New South Wales state government refused to

after the New South Wales state government refused to respond to a company request for financial help. Other participants are now being sought for the project.

Mr Parry's woes have paralleled those of numerous other entrepreneurs - Mr Bruce Judge in Brisbane and, in Perth, Mr Robert Holmes a Court, Mr Laurie Connell and Mr Yosse Goldberg.

TEOLLISUIDEN VORKA OY (TVO Power Company) US\$100,000,000 Floating Rate Notes due 2004

Notice is hereby given that the Interest Sub-period of the Interest Period ending on 11th January 1988 has been fored at 8% per annum. The amount payable for the third interest Sub-period will be US\$73.33 and will be payable together with the amounts for the first and second interest Sub-peri-ods of the said interest Period on 11th January, 1988 sgainet surrender of Coupon No. 16.

invers Henover Limited Agent Bank

Judge confident of survival

Parry, the Perth-based businessman who was behind the Australian bid to defend the America's Cup yachting trophy, has become the latest to run into cash-flow difficulties as a result of the share market collapse.

The troubles of his Parry Corporation were underlined yesterday by its decision to suspend work on a A\$190m (US\$132.8m) entertainment project in the Darling Harbour redevelopment in Sydney.

This follows the sale or planned disposal of other assets within the Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash. Bankers and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise cash and brokers agree that Mr Parry group as part of a bid to raise the brokers agree that Mr Parry group as part of a bid to raise the brokers agree

was among the hardest hit of holders.

Australia's entrepreneurs in Wednesday's buying of Judge doubled the price to 8 cents. That rise was one of the few in the New Zealand market last week, but prompted little further interest or movement in Judge above. ahares.

Announcements from various companies which have suffered intricacles are nothing new to Mr substantial losses through transactions involving companies success has been based on his associated with Mr Judge have ability to perceive opportunities continued to shatter the confi-

dence of investors.

Shareholders in Renouf, another investment company in dence of investors.

Shareholders in Renouf, another investment company in his orbit, last month turned their resentment on to Mr Judge personally, dumping him unceremoniously from the Renouf board. Many at the company's annual meeting expressed their feelings in irate terms and Mr Judge in irate terms and Mr Judge left Mr Ron Brierley's master company so that they could buy stock market crash.

Earlier, Mr Judge and Sir brush-making company, which frank Renouf clashed in the they used as a vehicle for expan-

Earlier, Mr Judge and Sir brush-making company, which Frank Renouf clashed in the they used as a vehicle for expanded media with differing sion rather in the style which accounts of a tangled chain of had been so successful at BIL.

The many announcements issued by Ariadne and Renoul over the preceding weeks regarding pending transactions which were not completed had already created investor unease before the October 20 stock market

Arcane financial arrangements

It is, perhaps, not surprising that many individual shareholders could not follow the complicated web of inter-company deals which had been planned for the Renouf, Judge, Arladne and Impals companies. and Impala companies. Such intricacles are nothing new to Mr Judge. Much of his investment

With the transition, Mr Robert

THE BUYER who moved into the New Zealand stock market last months between Renoul and two other wednesday to acquire 1.12m shares in Mr Bruce Judge's beleas guered Judge Corporation obviously has faith in its recovery and sees a potential for future in the stock which has provided the most spectacular crash in a sinking market.

Mr Judge's variously held interests range from a US savings and loan venture to a minority stake in Goode Durrant, the British finance and motor distribution company. Just over a year ago Judge shares were a year ago Judge shares were selling at NZ\$10. Earlier this year, despite some dilution issued by Arladne and Renoul's Rey was provided interested to have had a market last months between Renoul's last six months between Renoul's last six months between Renoul's and two other was programme, which was expansion programme, wanted Mr Collins back in Bill. as was companyed with BIL and Mr Collins such the Euclide Australia. Burling was been centrally wanted Mr Collins back in Bill. as was companyed with BIL and Mr Collins such the Collins back in Bill. as was compared with BIL and Mr Collins and Mr Judge were back together.

Each presented a different version of what had gone wrong with the shock news to Renoul's savings and loan venture to a minority stake in Goode Durrant, the British finance and motor distribution company. Just over a year ago Judge shares were selling at NZ\$10. Earlier this year, despite some dilution issued by Arladne and Renoul's become a NZ\$17m loss.

The many announcements of the last six months between Renoul's last size chief executive. Buntings was somal interest in technical developments and Mr Judge were back together in Mr Brierley, who had continued his own expansion programme, was expansion programme, was continued his own expansion programme, was expansion programme, was colling the Collins back in Bill. as was chief executive. Buntings was burlet BIL and Mr Collins and Mr Judge were back together in Mr Brierley, who had continued his own expansion program

Ariadne Australia. Initially, Ariadne was heavily directed towards stock market invest-

the company obviously had problems. Last month, Mr Judge conditionally agreed to sell Judge Corporation's 19.9 per cent stake in Arladne to a consortium headed by Mr Kerry Packer, the Australian press tycoon, for

Arladne was heavily directed towards stock market investments but over the last year began reducing its exposure by moving heavily into property. Its property holdings are now reported to be worth around A\$500m (US\$349.3m).

Mr Judge also established Judge Corporation, which has a 22 per cent stake in Ariadne and a 47 per cent stake in Kupe Group, a New Zealand-based property developer and investor. This had fast-growing success under Mr Judge's guidance. However, Kupe directors are now not so enthusiastic at having Mr Judge holding in Kupe.

Attracted to the mining industry, Mr Judge brought Arladne a 38.9 per cent interest in Giant Resources. Among other ventures, Giant is in the process of launching a big alluvial gold dredge recovery operation in New Zealand which is predicted to produce 40,000 ounces of gold a year by the beginning of 1989, ration company which earlier

New Zealand which is predicted to produce 40,000 ounces of gold family automotive and oil exploration company which earlier this is an equal joint venture with R A Hanson, a US dredging specialist.

Giant was recently described by Mr Judge as a world-class resources company, but on November 30 Ariadne agreed to together a workable rescue packsell its holding for A\$300m. The

NZ Forest **Products** earnings up 20%

By Our Financial Staff

NZ POREST PRODUCTS, the NZ FOREST PRODUCTS, the
New Zealand timber and
paper company, lifted net
profits by mearly 20 per
cent to NZ\$87.7m.
(US\$56.1m) in the six
months to September from
NZ\$73.3m, on sales up 4.5
per cent to NZ\$60.9m.
The latest figure included
a NZ\$20m gain from the
sale of holdings in Ameor
and Norgold, two sixeable
investments.

However, its relationship with Rada, a New Zealand investment company, is causing strains after the market collapse. Mr Bob companies, yesterday did not exclude the possibility that NZFP might have to take over Rada, which owns 44 per cent of NZFP and in which the forestry group has a 27 per cent cross-hold-

ing.

Rada is carrying an unrealised loss of as much as NZ\$300m on its stake in NZFP, shares in which closed at NZ\$3.45 yesterday with an average compared with an averag purchase price of NZSS. Mr Gunn said Rada "has two years to restructure its debt," adding that interest charges were rolled up in debt facilities of an undis-closed size held by Rada.

being set up to try to rescue Judge Corporation. One of its major shareholders is Todd, a family automotive and oil explo-Pletcher Challenge, the country's other forestry giant, has been seeking a merger with NZFP but this has been blocked by the authorities on monopoly grounds. Pletcher, which holds 17.5 per cent of NZFP, said last week it would not appeal against a decision to refuse it permission to take over NZFP. US. \$50,000,000

Saitama International (Hong Kong) Limited

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Interest Period

7th June 1988

7th December 1987

interest Amount per U.S. \$5,000 Note due 7th June 1988

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Pursuant to the Indenture dated as of February 6, 1987 between Collateralized Mortgage Obligation Trust Twenty and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period from November 25, 1987 through February 24, 1988 as determined in accordance with the applicable provisions of the Indenture, is 8.00% per annum. Amount of interest payable is \$16.01 per \$1,000

COLLATERALIZED MORTGAGE OBLIGATION TRUST TWENTY

Fairfax board resigns after Tryart takeover

BY OUR BYDNEY CORRESPONDENT

ALL FIVE board members resigned yesterday from John Fairfax, one of Australia's leading newspaper groups, joining three top members of the executive management team who were replaced last week.

The wholesale changes follow the successful A\$2.55bn (US\$1.78bn) bid by Tryart, the company controlled by 26-year-old Mr Warwick Fairfax, to take Mr Ron Cotton.

Although Tryart retains the group's two most impertant assets in Sydney Morning leading and the Melbourne Age.

It has in the process lost four other significant metropolitan With the transition, Mr Robert

other significant metropolitan newspapers, a rural newspaper

newspapers, a rural newspaper Holmes a Court now takes poschain, a clutch of magazines, a radio network and, if a sale is clail Review and the Times on permitted, key stakes in the Sunday, although speculation domestic wire service and local newsprint mill.

Mr James Fairfax, Warwick's half-brother, announced his own resignation as chairman, along with those of deputy chairman Mr John Fairfax, who is. Warwick's cousin, his uncle Sir Vinnewsch's cousin, his uncle Sir Vinnewspapers. Mr Rupert Murcent Fairfax, as well as Sir David doch's News Corporation wants the stake in the Australian Associated Press news service and in Australian Newsprint Mills.

Advance by Mitsubishi Electric

MITSUBISHI ELECTRIC, the Japanese machinery and computing group, lifted group net earnings 23 per cent in its first half to September to Y9.72bn (\$73.2m) against Y7.90bn.

The advance was attributed to cost-cutting and an improvem in the consumer products side which makes up more than a quarter of its business. The turnround there, despite the effects of the high yen, came despite a sales increase for its consumer goods of just 1 per cent.

Group turnover rose 4 per cent to Y1,046bn, of which oversee sales accounted for 24 per cent,

In its other sectors, sales of information and communication systems and electronic devices rose 10 per cent, heavy machingry 5 per cent and industrial mechanics 2 resect products 8 per cent.

forecast of full-year group net profit to Y19bn, compared with an earlier forecast of Y15bn and an outcome of Y10.6bn last year. Sales are estimated at Y2,200bn from an earlier Y2,100bn and last year's Y2,108bn.

. has been acquired by

December 2, 1987

Precision Mecanique Labinal S.A.

The Motor Division of TRW Inc.

The undersigned acted as financial advisor to TRW Inc.

Salomon Brothers Inc

One New York Plaza, New York, New York 10004 Atlanta, Boston, Chicago, Dallas, Los Angeles, San Francisco, Zurich. Affiliates: Frankfurt, London, Tokyo. Member of Major Securities and Commodities Exchanges.

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Upon request, a copy of the Prospectus Supplement and the related Prospectus describing these securities and the business of the Company may be obtained from the Undersigned, as agents of the Company, by any person to whom such agents may legally distribute it. The securities are offered on a continuing basis only by means of the Prospectus Supplement and the related Prospectus, and this announcement is neither an offer to sell nor a solicitation of any offer to buy.

Goldman Sachs International Corp.

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CREGEM FINANCE N.V. (Incorporated with limited liability in the Netherlands)

¥15,000,000,000

Floating Rate Notes due 1992 (the "Notes")

Unconditionally and irrevocably guaranteed by

Crédit Communal de Belgique S.A. Gemeentekrediet van België N.V. (Established in the Kingdom of Belgium)

In accordance with the terms and conditions of the Notes, notice is hereby given that for the interest period from 7th December, 1987 to 7th June, 1988 being the first Interest Payment Date (as defined in the terms and conditions), the Notes will carry an Interest Rate of 5.15% per annum. Interest payable on 7th June, 1988 will amount to \\$258,205 per \\$10,000,000 Note.

Agent Bank The Long-Term Credit Bank of Japan, Limited Tokyo

Auctions

The Financial Times proposes to publish this survey on the 29th January 1988.

A number of areas will be covered including:

A. Commercial property

B. Residential property and land C. Agricultural land and farms

D. Industrial investments E. Retail property

F. Plant and machinery

G. Vehicles H. Fine art

For editorial synopsis or any further details on advertising rates please contact Emma Cox on 01-248-5115 or your usual Financial Times representative.

> Financial Times Europes Business Newspaper

U.S. \$150,000,000



(Established in Ireland by Charter in 1783, and having limited Sability)

Undated Floating Fizite Primary Capital Notes In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from December 8, 1987 to

March 8, 1988 the Notes will carry an interest Fisie of 8%% per annum. The interest payable on the relevant interest payment date, March 8, 1988 will be U.S. \$203.80 per U.S. \$10,000 principal amount.

By: The Chase Manhattan Bank, N.A. London, Agent Bank

December 8, 1987



NOTICE IS HEREBY GIVEN that a regular quarterly dividend, being Dividend No. 2 of 5¢ Canadian per Common Share, has been declared payable on Decamber 31, 1987 to shereholders of record at the close of business on December 15, 1987.

Shareholders with addresses in the United States or Australia will be paid the equivalent amount in the currency of the respective country.

BY ORDER OF THE BOARD John W.W. Hich Senior Vice-President, Corporate

December 1, 1987

BIG STATE

All eyes focused on Salomon

THE GUESTS started arriving early for Salomon Brothers' ment bond desk from London in Christmas cocktail party in the first place. By contrast Morprankfurt last week. Despite the recent unexpected pick-up in business, many syndicate managers and traders in the D-Mark months after Salomon, insisted from the start that it had no such intentions.

The inactivity has been as marked at Deutsche Bank, where there is a syndications team of online, as at some of the newer foreign houses in Germany's to transfer the German governments from 1989.

Combined with the stock market crash, the result has been that "Finanzplatz Deutsche ket crash, the result has been from the start that it had no such intentions.

The idea of basing trading been notably absent of late.

Of course, Salomon is not the superficial logic of grounding the business in its home market.

Foreigners account for up to 80

there is a syndications team of nine, as at some of the newer foreign houses in Germany's financial capital.

Yet the downturn in recent months in the D-Mark Eurobond new issues business - which fol-lows a wretched summer when secondary market trading was at best thin – has prompted increasing speculation about the strategies of some of Frankfurt's

newer foreign arrivals. Salomon Brothers has been the main focus of attention, having made the biggest splash on its arrival and being far from publicity shy at best. Part of the explanation behind the present rumours of an imminent withdrawal from Frankfurt is plain German Schadenfreude. Wall Street's brashest investment benk made plents of waves in bank made plenty of waves in the conservative West German market in the run-up to its arrival, with talk of bankers being lured away for unheard-of

ming-down exercise.
However, Salomon's decision However, Salomon's decision
last month to return German
government bond trading to London - marking the end of a plan
to Frankfurt before the crash, eventually to shift the entire could have predicted that the business to Frankfurt - has set Government would go back on tongues wagging. A single junior its campaign piedge. Indeed, the government bond salesman is Bonn authorities have been now left in Frankfurt to keep

D-Mark New Issue Volume

per cent of all new German gov-ernment bond sales and there is investment bank would be next a lively international market in to open its doors in Frankfurt.

While eavy, or just plain malice, from some who might have also been upset by unexpected external circumstances. The German Government, in were never asked, might explain some of the recent speculation, it is only one part of the answer.

More compelling are according to the stock exchange turnover turnover to the stock exchange turnover t some of the recent speculation, it is only one part of the answer.

More compelling are several recent actions the firm has taken in Frankfurt. For example, it recently decided to lay off four executives from the Frankfurt office, including one expatriate, as part of its international alimning-down exercise.

However: Salomon's decision

fickle to domestic and foreign

investment bank would be next to open its doors in Frankfurt.

 Shearson Lehman, which has recently obtained its banking licence, already had an empty floor prepared for its new invest-ment bank and the senior executives had already been hired. Now the talk there is of a staff

 Merrill Lynch, which is well-represented in Germany through a number of retail offices and a substantial institutional business in US equities in Frankfurt, was also planning an investment banking move. A benking licence was due some-time in October.

 Word alipped out just before the crash that Goldman Sachs, which is not represented in Ger-many, was well advanced in negotiations with the Frankfurt stock exchange for membership, at the cost of about DM200,000.

Not supprisingly there has things ticking over. ... bankers alike in view of OctoMany bankers in Frankfurt ber's surprise announcement been silence on all these fronts doubted the wisdom of the plan that withholding tax would be

imposed on most savings and are keeping their heads down investments from 1989. while the senior planners review operations from New York.

The lack of information from elsewhere helps to explain why Salomon has become the focus of attention in Frankfurt. Indeed, the more in Frankfurt Indeed, the more in Frankfurt.

its move in mid-November to much larger premises — which are still being decorated in the inflated, mock-Colonial style the company has made its own probably helped draw attention
to it (even though they could
hardly be compared with Salomon's planned \$1.5bn headquarters in New York, plans for which it abruptly dropped over

the weekend).
It is certainly hard to imagine that Salomon would have under taken the move, which it had been planning since the beginning of this year, had it foreseen the present circumstances. Its new trading room, for example, with some 20-odd positions, below outprought here.

looks ominously bare.

Yet talk of withdrawal from
Frankfurt seems misplaced.
Interestingly, the corporate finance and mergers and acquisi-tions side, a business which many observers thought would be far harder for the foreign banks to crack than bond trading appears to have been per-forming well.

The prospect of any of the leading US houses in Frankfurt pulling out seems inconceivable from a European perspective. Nevertheless, matters can often look very different from the cor-porate HQ in New York, where a European satellite may represent a soft target for the axe to fall. And some analysts are already suggesting that a US company's decision to close a product line can often be the precursor of lar-

However, the bankers stoking However, the bankers stoking the Frankfurt gossip at present would do well to think twice. A decision by any leading foreign house to pull out would undoubtedly represent a severeloss of prestige and would make any later return to Germany much more difficult.

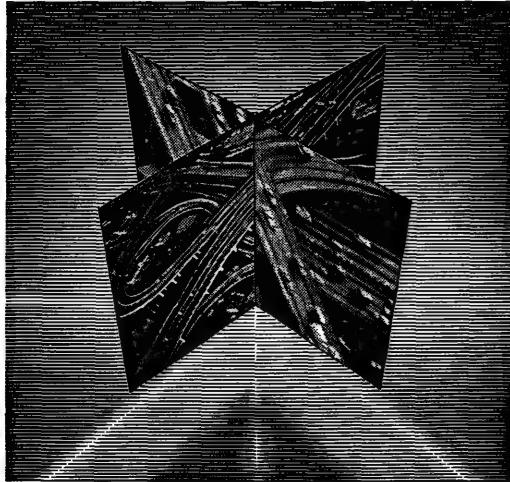
More important than ember-

More important than embar resement to any individual com-pany, it would be a marked vote of no confidence — and therefore an even bigger loss — to the Ger-man capital market in general.

Mutiple-option finance facility for Pearson

PEARSON, THE diversified UK the latest in a long string of simigroup which owns the Financial lar financings arranged by UK Times, has mandated Samuel companies this year, was for genMontagu to arrange a \$300m eral corporate purposes. It is for multiple-option financing which includes a \$200m committed credit, writes Alexander Nicoll. The borrower said the facility, replacing any substantial exist. The facility fee is 7.5 basis Ing funding arrangements, points and the maximum margin though the facility could help in though the facility c

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Austria to tighten up on insider trading

By Judy Dempsey in Vienna

THE VIENNA Boerse, the Austrian stock exchange, will introduce new measures designed to make insider trading more difficult, Mr Gerhard Wagner, president of the boerse, said at the weekend.

The measures will amply sain at the weekend.

The measures will apply
to journalists, bankers,
economists and anyone regularly involved in the stock

exchange who, on a volun-tary basis, will have to sign a letter stating that they are involved in stock

exchange business.

Mr Wagner did not comment on the extent of insider trading, but he said he regarded the new measures, which will take effect early next year, as precautionary.

tionary.

In recent weeks, the house has been at the centre of attention among brokers and government finance officials, largely because of the effects of Black Monday and the Government's first partial privatisation of one of the state-run industries.

Between October 19 and December 4, the Vienna Boerse fell by 13.4 per cent to 210.87. In September, the index stood at 257.57, thanks to foreign interest during the summer.

during the summer.

Black Monday also affected the sale of OEMV, the successful oil and minthe successful oil and mineral group ewned by the Austrian state. The management had initially planned to sell to the public 25 per cent of the group, or 500,000 shares. At the last moment, however, it offered only 300,000 shares, or 15 per cent, at a nominal value of Schl.000 (\$85), the majority of which were earmarked for the domestic market.

market.
The shares were two-fold oversubscribed and were listed last week on the bound foreign stock exchanges at a price of Sch4,400. The first quoted rating was Sch4,455. An executive from Creditanatalt, the Anstrian hauk stalt, the Austrian bank which led the sale of OEMV said yesterday: "We do not expect OEMV to fall below the listing price."

Total capitalisation of the

beerse rose from Sch74bn to Sch84bn during 1987, due to the addition of the OEMY nominal share expital worth Schi.bu plus new listings and some capital gains. Overall, however, the trend-

Overall, however, the trend-over the past few weeks has-been predictably downward.

Meanwhile, Mr Wagner sald there were no immedi-ate plans to change the "5 per cent clause" — a law introduced in the late 1920s which limits share fluctua-tions to 5 ner cent in either tions to 5 per cent in either direction in any single trad-ing day. Any newly issued securities can rise or fall 5 per cent in the first four days. After that, they are regulated by the clause. Shares which are listed not only on the Vienns Boerse but on other exhanges as well are exempt from this require-ment

Japanese brokers delay futures plan

THE BIG four Japanese brornis niti four Japanese bro-kerage houses have tempo-rarily dropped plans to trade Hang Seng index futures following the steep slide in stock and futures prices in October, Reuter

prices in October, Reuter reports from Hong Kong.
Turnover in index futures has plunged to fewer than 1,000 contracts a day in recent weeks from an average of about 30,000 and a high of over 40,000 shortly before the market slide.

Mr Kenji Watanabe, a director at Yamalchi International, said: "After the market crash, the best thing market crash, the best thing to do right now is to adopt a wait-and-see attitude."

a wait-and-see attitude."
Yamaichi conducted a feasibility study and considered buying a seat on the
exchange before the steep
decline, Mr Watanabe said.
Mr Torn Nagano of Daiwa
Securities (Hong Kong) said
his firm made preliminary
studies before the market
slide, but now has no plams
to join the futures
exchange.

exchange.

Nomura International (Hongkong) and Nikko Securities (Asia), have also shelved plans to trade Hang Seng index futures, according to Hong Kong brokers. Nomura acquired a sent on the exchange, for which it is believed to have paid about HK\$1.8m (US\$230,000) to HK\$2m, before the stock slide but is not considering trading now.

Executives at Nikko Secu-rities could not be reached for comment but brokers said the firm had backed away from plans to join the

Seats on the exchange are currently being offered at about HK\$300,000 but no transactions have been reported since the market downturn.

D-Mark sector steady despite further issues

in the D-Mark Eurobond market

in the D-Mark Eurobond market continued yesterday, with two deals totalling DMS76m following the DM1,375m of paper launched last week.

The issues have not so far adversely affected the sector, which has remained basically steady on the bark of its strong currency. However, the yield curve has steepened since the Bundesbank's half-point cut to 25 per cent in discount rate last Thursday. Yesterday, long-term bonds showed price lails of up to half a point in the domestic market while shorter maturities were steadier.

yesterday's largest issue, DM300m of five-year bonds, which represented Morgan Stan-ley's second lead management in ley's second lead management in D-Mark Eurobonds. The terms, including a 5% per cent coupon and 100% pricing, were thought fair by the market but the issue was brought too late to establish a trading level.

The borrower made a separate issue, also led by Morgan Stanley of 1.5m currency warrants to buy \$100 at DM1.6725. They were priced at DM1.215.

was a DM75m issue by a Luxem-bourg subsidiary of Industrick-reditbank, led by the parent itself, with a seven-year mann-rity, 6 per cent coupon and 100% pricing.

pricing.
In Europen, IMI Bank Inter-national continued the recent steady series of new issues with INTERNATIONAL

BONDS

a Y15bn deal guaranteed by Italy's Istituto Mobiliare Italiano.

IBJ International led the issue, which has a four-year maturity but with both call and put options after three years - three-year bonds are not yet allowed. were steadier.
Swedish Export Credit made

ment Bank reopened the Canadian dollar sector with the first issue since the week of the October stock market crash. McLeod ber stock market crash. McLeod Young Weir International priced the C\$75m three-year deal at 101 with a 10½ per cent coupon to give a 43 basis point spread over Canadian government bonds at

launch.

Although the issue was bid 1½ points below issue price, wider than its 1½ per cent lees, McLeod said the spread over governments had tightened. With a Triple A rating and short matu-rity, the issue was aimed at whatever pockets of retail inter-est might have developed for Canadian dollar bonds.
Eurodollar bonds traded quietly as the New York market

The structure is not popular with all sections of the market, yet the issue was thought to be quite reasonably priced. It carries a 5 per cent coupon and 101.35 pricing, and IBJ said the issue, which is being swapped, yielded 5.10 per cent on a three-year basis at 1% below issue price - the level of the fees and the price at which it was being the price at was the price at the pric Federal Business Developcent coupon and par pricing it
was bid at 99.3.

Securities houses curb growth

THE BIG foir Japanese securities houses, which have been the globalisation of the securities aggressively developing business markets, but the plunge in stock abroad in recent years, may slow prices in October and the marthelr expansion programmes kets' volatility thereafter will because of uncertainty about provide a good chance to review world stock markets, Renter this programme." their expansion programmes because of uncertainty about world stock markets, Reuter reports from Tokyo.

"Investors' attitudes worldwide to convicte overall appear to

to securities overall appear to about 5,200 in October from 2,800 a year earlier. corporate bond Issues is also worsering, an executive of one of the firms said. However the bave led to slow growth or declines in current profit in the Nikko and Yamaichi — are not expected actually to reduce their oversess activity.

Nomura's oversess subsidiaries expected actually to reduce their oversess activity.

Nomura's oversess subsidiaries expected an estimated \$28.5bm (\$289.9m) in current profits in 1004.627

grammes which put more emphasis on efficiency in their overseas subsidiaries after the

strong expansion in personnel increased underwriting in the and budgets over the past several years," another executive earned about Y15bn, down 29 per cent, and Nikko Y8.7bn, down 30 per cent.

The total overseas staff

1986/87, up 1 per cent from a year earlier. Yamaichi took in Y15.7bn, up 33 per cent, due to increased underwriting in the

The four firms' group results, expected to be published next month, are not expected to contain details of their oversess sub-

Nomura increased overseas staff to 2,058 in October from 1,447 a year earlier, with most of the rise taking place, in New York and London, it has around 10,000 employees in Japan.

Nomura is now expected to concentrate on efficiency, putting more emphasis on the US, where it became a primary dealer in US Treasuries last year. The emphasis on the US would also be in line with the emer-gence of Japanese portfolio investment in US securities. Staff at Daiwa Securities' over-

seas units rose to around 1,300 in October from 1,000 a year earlier, while Nikko's overseas employees rose to 994 from 710 and Yamaichi's to 930 from 650, the company officials said.

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sakeover speculation when it z.o per cent stake was launched a hostile bid worth amounced.

\$217m in cash for Birmid Qualcast, the lawnmowers and boilers is part of the company's strategy of extending its interests in the board of the state of the same amounced.

share offer as cheeky. There is no way that such a proposal can be recommended, said Mr Alan Emson, finance director. The groups have no relevant syn-

The offer price caught the market by surprise. Since Blue Circle announced its interest in Birmid at the end of last month Birmid's shares have raced ahead

from 200p to 313p last night.
Some analysts had been expecting a bid closer to 330p but Blue Circle said its offer rep-

Bine Circle, the cement com- resented a 50 per cent prem- room and kitchen furniture pany, yesterday ended 10 days of iumto the market price before its products. Birmid's main products takeover speculation when it 2.6 per cent stake was are Qualcast, Atco and W*ebb

Mr David Poole, who faces his first hig test since taking over as managing director in July, said Birmid had an attractive mix of businesses which offered an excellent fit with Blue Circle's Armitage Shanks subsidiary. "In addition to the similarities between Birmid's ceramic divi-sion and Armitage Shanks, Bir-mid has complementary distribu-tion channels and customer

· Armitage manufactures both-

bases," he said.

lawnmowers, Potterton central heating boilers and New World

In the year to November 1986 Birmid made profits before tax of 513.1m. Analysts expect the 1987 total to be around 522m and the company yesterday described its prospects as excel-lent. In 1986 Birmid achieved earnings per share of 15.6 so yes-terday's offer would represent an historic price/earnings ratio of 19.2.

Blue Circle's approach is the second Birmid has received this year. In February Hepworth Ceramic withdrew without put-ting forward concrete takeover

proposals after being rebuffed by Rirmid. · Analysis believe other compa-nies may be interested in Birmid, with GKN suggested at one

potential suitor.
Blue Circle made taxable profits of \$127m on turnover \$1.1bn Its shares have fallen from above 330p before the stake in Birmid was announced. Yester-

day they were up 8p at 303p but the announcement of a hostile bid came too late to affect the Blue Circle's stake in Birmid

last night amounted to 6.7m shares or 9.3 per cent of the company. It has made no purchases so lar this week. In addition to the cash offer there is also a loan

Braithwaite to sell engineering subsidiary

change in the company's for-tunes since Mr Andrew Fitton and Mr Stuart Ross moved in as

this year, against group Braithwaite will receive up to

Braithwaite Group, the engi-

neering company, yesterday bade farewell to the business which brought it into existence. It is selling Braithwaite Engineers, founded more than 60 years 250, to a consortium which includes Rowecord Engineering and members of the subsidiary's ment. The disposal follows a rapid

and Mr Stuart Ross moved in as chief executive and finance director at the start of the year.

Analysts expect pre-tax profits of about \$3.5m this year, against losses last year of £186,000. The main contributor to profits will be Andrews Group, the heating, drying and airconditioning concern bought from Stone International for \$27m in May.

Braithwaite Engineers, which sells water tanks, is expected to achieve turnover of about \$8.5m this year, against group

\$450,000 from the disposal. Extraordinary costs saising from the sale will be about \$200,000.

SAS to make final effort for **BCal today**

Scandinavian Airlines System plans to return to the Civil Aviation Authority today with what probably will be its final effort to win approval for a resease plan for British Caledonian Green SAS and its financial

adviser, Morgan Guaranty, yesterday were completing the revised proposal which includes British institutional backing in an effort to convince the CAA that BCal would remain UK-con-

trolled.

If the GAA agrees that BCal would retain its route Heences, SAS is expected to waste no time in lannching its bid. The BCal board would then have two offers to consider before giving its formal recommendation tomorrow (Wod) to the British Airways takeover bid which values BCal at \$119m in cash or \$146m in shares in cash or \$146m in shares at BA's closing price of

he met by Investors in Industry, the investment group awned by Britain's clearing banks and in which the Bank of England has nearly a 15 per cent stake.

International Leisure Grann, the travel company Group, the travel company which owns Air Europe, said meanwhile that it would not be participating in the SAS package. ILG still had not excluded, however, the possibility of mounting its own bid for BCal, depending on the content of the SAS partial

acquired Royal Pest Elimination Services of Tampa, Florida.

Abaco shares suspended amid bid negotiations

TRADING in shares of Abaco effect of ridding Abaco of risk-investments, the fast growing oriented businesses and increasing its activities in the fee-earny suspended as the group revealed that it was in talks that could lead to an offer and current deputy chairman, and has built up businesses in morgage broking and for the company.

Mr Peter Goldie, is now B & C's adjusting and international loss and current deputy chairman, and international loss adjusted and international loss and current deputy chairman, and current deputy c

was likely today.

B & C has long been considered a potential bidder and any move for Abaco would in any case be unlikely to succeed without the backing of B & C.

Wr Tim Thwaites, managing director of Whitbread Retailing Division, said: Following so

for the company.

Speculation immediately centered on a possible bid for Abaco

Mr Peter Goldie, is now B & C's
managing director, and Mr Rusty
tered on a possible bid for Abaco

Ashman recently left the posi-

for the company.

Speculation immediately centered on a possible bid for Abaco by British & Commonwealth floldings, the financial services conglomerate chaired by Mr John Gunn, which has a 27.45 per cent stake in Abaco.

Neither Abaco nor B & C would offer any comment. Abaco said a further announcement was likely today.

Mr Peter Goldie, is now B & C's annaging director, and Mr Rusty Ashman recently left the position of Abaco's finance director to take up the same post at B & C conglomerate chaired by Mr director of Abaco.

Abaco's shares have emerged as one of the worst performing in the financial services sector, professional firms that in the financial services sector, professional firms that in the financial services sector, professional firms that indentity. He would not, however, rule out the eventual possibility of a B & C takeover.

suspension.

Although the fall in its share price, and the general market decline, have no direct impact on Abaco's operating businesses.

Tysons back after reverse takeover

Dealings in the shares of Tysons (Contractors), the Liverpool construction engineers, resumed yesterday following a capital injection of \$1.5m from J.F. Donelon & Company, a neighbouring Manchester-based contraction country

struction group.

The shares, which were suspended in June at 54p -- ahead of both the deal and October's market crash - closed last night at 30p. The capital injection gives Donelon 66 per cent of Tysons' enlarged share capital, while Mr J.P. Donelon becomes chairman and chief executive.

Unit in £1.5m GKN purchase

Weinkruger is based at Dei-

Beefeater restaurants operating there by the middle of next year. Beefeater restaurants have been developed over the last 14

claims is the most profitable chain of its kind in Europe.

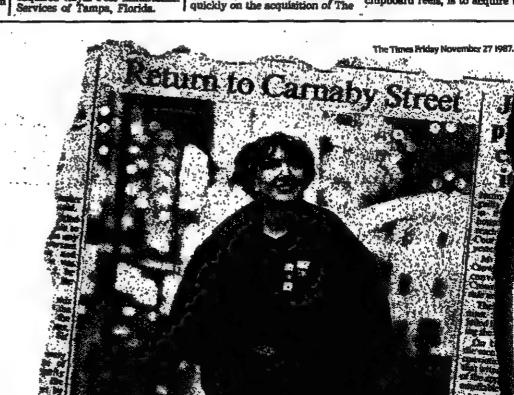
Unit Group, manufacturer of business and assets of Tilgate timber paliets, plywood and Pallets, a division of GKN Chep, chipboard reels, is to acquire the for a \$1.5m cash.

case be unlikely to succeed without the backing of B & C. The two companies had sold Abaco's operating businesses, the life with 4.4 per cent. At 54p, Abaco's market capitalsible for Abaco to follow through assets to each other with the Whitbread pays £0.5m for German restaurants

at BA's closing price of 185p yesterday. The CAA's requirement that SAS's holding at least be matched by a single UK shareholder is expected to Whithread, the brewing and Keg, with 75 restaurants in Can-leisure group, has bought for ada, this purchase demonstrates DM1.5m (\$500,000) a small the rapid strides we are taking to chain of German restaurants become a chain restauranteur on called Weinkruger Weinbau- an international scale."

The acquisition of the 16 res-desheim in central southern Ger-currents will provide a base for many. It is planned to have six the development of Beefeater Restaurants in Germany and Europe where the group has two outlets in Belgium. Whithread with 190 Beefester years from a small London oper-outlets in the UK wants to ation into what Whithread expand its restaurant business claims is the most profitable on the Continent. It is also pursuing retail development in North America. This year it bought Keg Restaurants, Canada's largest steak and sea-food chain for C\$13.5m.

RENTOKIL GROUP has



You'll be surprised who you see in Carnaby Street these days.

Underwoods, Sock Shop, Monsoon, Cobra Sports. Peachey have brought a few new faces to Carnaby Street. Over the last few years we have upgraded the whole area, from Newburgh Street to Foubert's Place. Other tenants include Next and Midas.

In four years, its capital value has risen from £20 million to

And now with the arrival of Mary Quant, it's really back in fashion.



Peachey Property Corporation plc

Next keeps Allens chain Next, the stores and mail order group, has decided not to proceed with the proposed sale of its Allens Chemists chain following the stock market fall. Allens, acquired with Combined English Stores which Next took over in July the year had been a like the proposed sale of the low twenties according to the persuading other companies to persuading other companies to the low twenties according to well. Asda, the superstore group, may defer its sale of Allied Carlons and the change of plan was "a long-term postpone proposed disposals as well. Asda, the superstore group, may defer its sale of Allied Carlons and the change of plan was "a long-term postpone proposed disposals as well. Asda, the superstore group, may defer its sale of Allied Carlons and the change of plan was "a long-term postpone proposed disposals as well. Asda, the superstore group, may defer its sale of Allied Carlons and the change of plan was "a long-term postpone proposed disposals as well. Asda, the superstore group, may defer its sale of Allied Carlons and the change of plan was "a long-term postpone proposed disposals as well. Asda, the superstore group, may defer its sale of Allied Carlons and the change of plan was "a long-term postpone proposed disposals as well. Asda, the superstore group, may defer its sale of Allied Carlons and the change of plan was a long-term postpone proposed disposals as a long-term

or is Alleis Chemists chain fol-lowing the stock market fall. Allers, acquired with Combined. English Stores which Next took over in July this year, had been put up for sale as it did not fit in to Next's strategy. over in July this year, had been put up for sale as it did not fit in would now give Allens "full supto Next's strategy.

It had been hoped that the sale of the 105-shop chain would reap \$40m and a number of possible thuyers had registered an interest, with some bids in line with Next's valuation. But since the market crash in mid-October the remaining handful of serious!

I would now give Allens "full supto to realise its considerable potential." The lack of the hoped-for 540m is not a sum less than that would earn interest thought to be material to Next, with some bids in line with particularly since the issue of Next's valuation. But since the permuer.

The summet if not a cancellation.

Sil20m which Allied Car been expected to fetch.

Asda is thought to be ing to part with the bus a sum less than that would earn interest the particularly since the issue of Allied Carpets been expected to fetch.

Asda is thought to be unwill ing to part with the business for a sum less than that which would earn interest equal to Afflied Carpets' pre-tax profits. Asda had already agreed the sales of the MPI furniture group Beptember.

The slump in share prices is market fell.

MTM seeks merger approval

remaining handful of serious

MTM, which manufactures and markets speciality chemicals and chemicals intermediates, is seeking shareholders' approval

rented net asset value will be \$6m, while Loison's will be \$3m. As the leason's will be \$3m.

After the leason's will be \$3m.

After the leason's will be \$3m.

After the leason's will be \$3m.

CdFC will pay an equalisation of \$1.5m. CdFC in September were little changed in September were little

profits of \$3.2m on sales of stin the joint venture. It is pay-\$15.34m. Marchem reported pre-tax profits of \$1.75m on sales of management services.

ASAP manufactures flavour.

seeking shareholders' approval. \$17.78m. for a merger between its subsidiary Marchem and CdF Chimie's and chief executive of MTM, said subsidiary, Loison, based near Lille.

The proposed joint venture will create a new European specialised organic chemicals company, owned 50 per cent by MTM and CdFC. Marchem's warmantal net seest value will be increase our resilience to currents of the chartons', he added.

"We want to manufacture in countries to which we sell to increase our resilience to cur-rancy fluctuations", he added.

and fragrance intermediates and pharmaceutical intermediates servicing the generic Italian drug industry. Turnover was about 56m in 1986, and is around 510m

MTM is seeking to become les dependent on mature products and to develop its fine chemicals

Monarch in Venezuela

facility which Monarch previ-ously said it intended to instal to by the conventional carbon-in-

ity at Mocupia Gorge in the The two-stream plant will to give a progress report to a Venezuelan state of Bolivar. librerate more gold by separating number of investment houses. subjecting it to high-intensity leaching with cyanide. The bal-ance of the ore will be leached

Monarch Researces, the gold to 10 months positive cash flow mining campany which was from the project, but nearly doubleted on the London Stack ble operating profit to \$600,000 a. Monarch earlier this year at least 35m for its own tailings. Nach, an executive director of the shares in London and (waste dumps) retreatment facilities. The transfer will be the contract to the state of the shares in London and Mr. Nash is in the UK this week.

He said that Monarch als intended to increase the throughput at the processing plant at the Colombia mine in Venezuela to its current rated capacity of 700 tonnes a day by the third quarter of 1988 and Gorge since 1928.

The change of plan will delay gold in the tailings is 1.35 grams eventually to lift capacity from an estimated seven months a tonne and the plant should 1,500 tonnes a day.

U.K. INDUSTRIAL PROSPECTS

The Financial Times proposes to

publish a Survey on the above on **MONDAY 4TH JANUARY 1988**

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES CONFERENCES

chil Times City Seminars have been very seccessful and 11, 12 & 15 February 1988 are the dates for the large grants are the dates for the large grants are consistent of the major markets, players as east cavironment. An assessment of how the City withstood the scorms of recent weeks will be included.

Granada advances by 20% to £111m

Granada, the TV and leisure group which recently agreed terms in a \$250m bld for rivalElectronic Rentals, 'yesterday reported a 20 per cent profit improvement to \$111.1m before tax in the 53 weeks to October 3. Sales were up 21 per cent to \$1.02bn - the first time turnover and profits have broken the \$1bn and \$100m mark respectively. Earnings per share rose in line with pre-tax profits, from 21.3p to 25.5p.

Yesterday, the company admitted that TV advertising revenue did not appear to have started quite so strongly in the current year, but otherwise said that it felt well-placed in the face of any economic downturn. On the Granada, the TV and leisure

any economic downturn. On the electronic retail side specifically, Granada added that sales in the current year were well up with expectations and it was not experiencing any elackening in

the high sixeets.

Profits were struck after a \$123.8m depreciation charge (\$137.8m last time) - with \$123.8m depreciation charge affected by acquisitions, according to Granada's finance director sales rise from \$197.5m to \$102.5m charged on rental assets against \$119.9m. The decline, according to Granada reflected.

The rental and retail side per cent to \$20.8m. Advertsing according to Granada reflected tributor, producing \$65.8m at \$138m. On the leisure side -

television services company, yes-terday reported profits ahead by 79 per cent for the year to Sep-tember 30 1987. However, the pre-tax advance from \$18.81m to \$33.71m-included \$4.1m profit

nos. (1m included 54.1m profit on investment sales, compared with \$600,000 isst year.

Earnings per share rose to \$2.4p from 22.3p. A final dividend of 3.6p was proposed, bringing the total for the year to \$350.

5.35p. More than 90 per cent of reve-

industry. It both manufactures the products and provides the facilities.

facilities.

Mr Michael Green, chairman, said demand for products and facilities had increased rapidly due to growth in the industry

tion in Europe.

The products and facilities businesses have traditionally

Parkdale falls to £0.25m

Pre-tax profits at Parkdale ressing satisfactorily and the

Holdings were almost halved directors were confident about from £600,876 to £253,686 for the full year's outcome.

the six months to Gctober 31

1967, but the directors said that
1968, but the directors said that
1969 (0.89) but earnings per 10p
these results do not reflect the
year as a whole.

The property programme, (\$139,153). Turnover was
including disposals, was prog-

ERG dividend omission disappoints

profits 53 per cent higher at \$11.1m.

The absence of the interim dividend payment, according to both ERG and Granada, is a condition of the \$250m bid - something which was not spelt out directly in the bid

announcement.
ERG shares have been held in large part for their yield by income funds and

Murmerings of institu-tional displeasure greeted the announcement yester-day by Electronic Bentals that it will not be paying an interim dividend in the light of the Granada offer, writes Nikki Tait. The decision not to declare a dividend came as EEG announced its figures for the half year to end-Sep-tember, showing pre-tax

investment. The interest charge-rose slightly from \$10.6m to \$11.9m, with gearing running at around 23 per cent by the year-end. That level is likely to (\$59.3m) at the trading level on sales of \$500.8m (\$404.7m). The reduction in margin, said Mr end. That level is likely to increase to 70 per cent following the ER bid, but Granada argued that the strong cash-flow from ER should enable a fairly speedy reduction to under 50 per cent. The figures were not seriously affected by acquisitions, according to Granada Suspendiffector.

Carlton advances to £34m

Carlton Communications, belevision services company, yesterday reported profits ahead by 79 per cent for the year to September 30 1987. However, the pre-tax advance from \$18.81m to investment. sales, compared with \$600,000 isst year.

Earnings: per share rose to growing proportion of expanding in the new year to service the growing proportion of expanding in the new year to service the growing proportion of expanding in the new year to service the sales to Japan and Australia.

The Moving Picture Company, which produces commercials, this year worked on a number of campaigns including Barclays, midland and National Westminster banks, Anchor Butter, Esso,

Lewis, reflected the increasing contribution from retail activicontribution from retail activi-ties, which now accounted for about one-quarter of activity in that division. The rental base, he suggested, was currently declin-ing at around 5 per cent a year. The TV broadcasting and pro-

gains, yesterday's results were better than the City expected and the shares rose 32p to close at 585p. The Abekas contribution was very strong, with a number of new products selling extremely well, the A62 real time editing device and the A63nd perspect and rotate machine. The long term industry trends are beneficial for Cariton - commercials are strong in the US and the UK, deregulation is gathering pace and the growth of the independents will boost both the products and facilities divisions. A pre-tax profits forecast for this

A pre-tax profits forecast for this year of about \$44m produces a prospective p/e of 15, at a pre-mium to the mariest but justified given its growth.

COOKSON GROUP has acquired for cash 75 per cent of the issued share capital of Colourfast Plastics, based at Eccles, Manchester. Cookson has an uption to acquire the remaining 25 per cent in 1990/91 based on achieved profitability. The cash consideration is not significant in relation to Cookson's net

GREAT SOUTHERN GROUP has acquired the West Country funeral business of Coombes & Son (Boyey Tracey) for \$335,000

been discussed ahead of its recommendation, but that it had been unable to per-suade Granada to change its mind.

pesteries a number of fund mangers said that they were surprised by the onle-sion. We are disap-pointed, commented flavo

Yesterday, ERG said that the dividend decision had

The merged group would take around 35 per cent of the rental market, but Granada argued that the rental/retail distinction was eroding. The combined group would have under 20 per cent if the two markets are considered. Wolverhampton & Dudley Breweries, the Midlands-based brewer, which trades under the Banks's and Han-son's banner yesterday

ingether.
The total dividend for the year is up from 8.5p to 9.8p - a 15 per

STARLEY LEISURE'S newly formed subsidiary, Stanley Snooker Club, has acquired the Argyle Snooker and Leisure Club in Birkenhead, Merseyside, for Sand Ones.

now taking in Patkhall and holiday business WSL, there was a 37 per cent improvement to 525.1m, on sales of \$214.5m (\$5160.3m). The fastest growth, however, was reserved for "services to business", where profits surged from \$1.7m to \$7.2m - a result of expanding geographical coverage and acquisitions.

The company, which was due to post its offer document for Electronic Rentals yesterday, said that it understood the Office of Fair Trading would attempt to give a decision on a monopolies reference within three weeks.

Dobson Park up 25% as emphasis changes

Dobson Park Industries of £1.51m (£283,000) being the reported pre-tax profits ahead by net loss arising from the divesting to per cent in the year to October 3 1987. The figures reflected the change in emphasis from ment of businesses during the year. Dividends absorbed £5.04h (£4.85m) to leave extributable profit of £2.45m against £2.48m. A breakdown of profits before interest charges, but including sanctates showed mining down at £6.31m (£8.83m), but including sanctates showed mining down trial electronics up at £2.33m (£749,000) and toys and plastics at £2.48m (£1.54m). The turnround of Dobson Park from a company mainly dependent to British Coal to a broadly based engineering company with a fast growing industrial electronics at £2.1m (£1.04m) and a cut in the loss of other engineering to £24.000 (£1.02m).

Turnover for the Wigan-based company was almost static at timing. The company's Angust \$2.924.48m (£29.52.52m).

Ing to \$24,000 (\$1.02m).

Turnover for the Wignn-based company was almost static at \$220.48m (\$218.52m). Barnings per 10p share came out at 1.09p (\$2.29p), adjusted for the right issue and the directors are recommending an unchanged final dividend of 3.31p for a same again total of 5.21p.

Operating profit of \$13.73m (\$10.39m) included a reduction in pension contributions of \$2.6m of restricting costs last year set to come down. The current year will also be boosted by a full set of \$2.6m (\$1.27m). The set interest charge was down from \$2.6m (\$1.27m) in the current year would put the shares on a prospective multiple of nine, which, underpinned by a 7.3 per cent yield, appears to offer a restriction defensive investment.

Robertson Gp advances 12%

provides a comprehensive range of services to the natural resource industry, increased its pre-tax profit by 12 per cent from \$2.83m to \$3.17m in the six months to September 30 1987 on turnover which rose from a restated \$10.35m to \$15.02m.

The directors said

mineral ventures was \$1.26m (\$1.27m). Tax took \$1.19m (\$1.09m) to leave extraints per share at 6.9p (6.6p). The interim dividend is raised from 0.8p to 0.9p per 10p ordinary on the capital enlarged by last August's \$8m rights

There were no extraordinarie this time (£640,000 charge).

both the brewers and the retailer.

W & D, with some 300 public houses has formed a small Crown & Revens Hotels division. Substantial refurbishment is being made to create three, star outlets...Hotels,

W & D made a profit of £2.4m on its sale of a five per cent stake in Vanz, * comment

restated \$10.36m to \$15.02m.

The directors said prospects for the second half were good with an improvement in all areas of group activity anticipated. Attractive acquisition opportunities were continuing to be sought.

Against this background the directors were confident of reporting further solid progress for the year as a whole. They said the group's UK oil services business had been recovering from the industry downturn and there had been a significant increase in activity since July, although profit margins remained competitive.

Elsewhere, profitability of the substitutional. It has als substitutional. It has also increased margins, which before property disposals, rose from 16.5 per cent to 17.7 per cent. W & D has not discounted sales to supermarkets and its Banku's bitter is sold at a premium price in the off trade. Against the background of economic recovery in the Midlands, analysts are forceasting pro-tax profits

in the mainton, analysis are forecasting pre-tax profits for the current year of up to \$25.6m, including property disposals, which tend to be small. That puts the abares on a prospective p/e of 12, Elsewhere, profitability of the minerals and water division had from sharply.

Group operating profit for the period was up from £1.41m to £1.94m but interest income of Beaverco rises Beaverco, plastics and con-sumer products manufac-\$145,000 last time was relaced by a charge of \$40,000. Income from mineral ventures was \$1.26m

Earnings per 59 share w 5.89 (4.59) and an unchan interim dividend of 1.7p been declared.

Sugar-coated Berisford 25% ahead at £88m

Advance to

£22m by

Breweries

Mr David Thompson, manag-ing director said the group had increased sales of ale in a declining market. "We have a

Banks's retails at up to \$1 more than a four pack of a supermarket own label beer.

brands were unprofitable for both the brewers and the

W&D

son's banner yesterday reported pre-tax profits of \$22.3m for the year to September 27, an increase of 18.3 per cent on the same period last year. This included \$519,000 profits on property disposals compared with \$178,000 last year.

Earnings per share, at 22.6p, were up 26.3 per cent on 1936 with a final dividend of 4p (3.2p) making a total dividend of 5.85p. up 30 per cent on that of last year.

Mr David Thompson, managcharges reflecting \$13m in closure and reorganisation costs all activities had returned to and a \$3.3m provision on tin profit in the second half except contracts.

declining market. "We have a fundamental belief in the continuing profitability of ale." he stated.

He said sales of lager, with Harp being W & D's standard brand, were incremental rather than substitutional. W & D's sales of lager, at under 20 per cent of its total beer volumes, are below the industry average.

However, Mr Thompson said his lager sales had risen faster than the market generally with premium-proced lagers up 45 per cent albeit from a small base.

In the free trade W & D said Berisford, however, was able to set these and the 52.18m costs of defending against Tate & Lyle and Ferruzzi against \$10.6m net and retruzal against attent ter-profits on the sale of interests in subsidiaries and and tax benefits from previous years to create a net extraordinary credit of \$1.89m (\$1.38m).

The estimated \$2m-\$3m costs of the defence against Associated British Foods, which dropped a \$767m takeover bid last month because of the stock market crash, were not included in the 1986-87 figures.

Berisford said the diversity of his operations gave it an advan-tage with which to face uncer-tain economic conditions.

small base.
In the free trade W & D said its market share had increased but it said there were limitations to further growth in the take-home business caused by "unprofitably low prices" for other canned beers competing at the bottom end of the market, W & D's major take-home brand, Ranko's retails at up to \$1 Total capital employed fell to \$1,08bn (\$1,18bn), with areduc-tion in financial services, indus-trial and commodities, but a large increase in property, the cash co fastest growing division, with big contributions from developments at Bour at Bastcheap in the City of Lon-Airport.

S&W Berisford, the diversified industrial and trading group which owns British Sugar, increased pre-tax profits by 24.8 per cent to \$67.5m in the year to September 30.

The pre-tax increase from the 1985-86 figure of \$70.1m, excluding the exceptional \$78.2m profit on Berisford's sale of its stake in Ranks Hovis MacDougall, was achieved despite a loss on commodity trading and a reduced contribution from the industrial don and Rodeo Drive in Beveriy Hills.

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Groul Joubl

apansid

1989 B

contribution from the industrial don and knows the provided field.

A slip in operating profits to \$135m (\$139.3m) was more than offset by lower interest charges of \$49.1m (\$70.5m).

In addition to a \$4.56m pre-tax loss, commodity trading was responsible for extraordinary charges reflecting \$13m in clo
within the industrial division.

Group turnover fell to \$2.05bn; from \$3.93bn (restated to reflect the new practice of excluding commission incomes and design

proceeds).

The tax charge of \$22.4m (\$32.1m) reflected an increase in effective rate to 25.7 per cept from 21.6 per cent. Berisford expects this to rise to 30 per cent in the current year.

Excluding the RHM profit, earnings per share rose by 8.5 per cent to 32.67p (30.12p). The final dividend is increased to 10p (8.5p) to make a total of 14p (12p). Berisford shares added 14p to close at 269p.

AIM GROUP has acquired Aerospace Coatings for a total cash consideration of \$225,000. All three companies are located

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DIVIDENDS ANNOUNCED

nasmings inteand J. R. Eve announce the neeper.

Grimley JR Eve

QUALITY, POTENCY, BRAND STRENGTH



Turnover £123·3m____up 9·0% Pre-tax profit £22.3m_up 18.3% Earnings per share 22.6p_up 26.3% Total dividend 5.85p_up 20.0%

■ VOLUME: ALE and lager both up. Premium strength lager rose 45%. Wine sales buoyant.

MARGIN: Cost control, higher volumes, and a firm wholesale price structure push margin up to 17-7%.

RETAILING: 9 new pubs opened in Manchester, North Wales, East Midlands and Bristol. Catering business expanding fast. Site acquisition ahead of schedule.

CASH FLOW: Positive for the third year in a row. Ambitious capital expenditure programme

The Wolverhampton & Dudley Breweries, PLC

the about the statement of the **Public Limited Company**

ster banks, Anchor Butter, Esso, Heineken, Rolls Royce, and Ham-

Group turnover was \$112.27m - including a \$23.1m (nil)contribution from its 20 per cent stake in Central TV -compared with

Even stripping out investment

EXTRACTS FROM THE STATEMENT BY THE CHAIRMAN – MR. IAN PROSSER

I am pleased to report record profits of £365.0m in the year to September 1987, an increase of 17.6% over the previous year. Earnings per share have increased by 20.3% and we have added to reserves extraordinary profits of £24.2m.

The beer market is continuing to change with major growth in the take-home trade and lager. The Company has for some time been the leader in the lager market with Carling Black Label and the Tennent's range and has continued to build on that position this year. Furthermore, it has now achieved leadership in the take-home market in Great Britain for all beers. We have also increased our overall beer market share.

The leisure businesses have again achieved substantial profit growth with an excellent performance from Crest Hotels. The Holiday Inns bought during the year are trading to expectation. The leisure retailing businesses, particularly Coral Social Clubs, have also had a good year.

The purchase of Horizon Travel and Wings/OSL has brought to the Company a significant presence in the overseas holidays market. The market is intensely competitive but one that we believe will offer long-term profit growth.

During the year we have spent £573m on our. businesses. We have allocated a further £390m for capital expenditure in the new financial year together with the finance required for the Holiday Inn purchase of \$575m.

The major setback to world stock markets since 19th October 1987 has had its effect on the Company's share price although, relative to most shares, the Company's share price has held up well. We have confidence in the year ahead and look forward to further progress.

Turnover 1,965.9 742.8 3,213.4 2,709.7 **Trading Profit** ikus om dienomal of 44 - 61.8 327.6 Profit before taxation 310.4 365.8 111.5 Profit after taxation 196.9 (3.5) (3.5) (8.3) Extraordinary items (Note 1) Preference dividend paid Earnings available for ordinary shareholders 141.3 Earnings per ordinary d Ordinary dividends – per share

Registered Office: 30 Portland Place, London W1N 3DF

PRE-TAX profits at Berkeley Group, Surrey-based house-builder and property developer, surged from \$3 im to \$7.5m for the six months ended October 31 1987 on turnover up 91 per cent from \$21.1m to \$40.3m. The directors said that it was \$1.62

too early to assess the future impact on the private housing market of the recent stock market collapse, but the company's trading record had been extremely satisfactory since October and forward sales were

at record levels.

An increased interim dividend of Ip (0.85p) was declared and enrings per share, adjusted to reflect the rights issue in June, nearly doubled from 6.1p to 12.1p after tax of \$2.64m (\$1.08m).

12.1p after tax of £2.64m (£1.08m).

The directors said that the group had a atrong balance sheet, was currently eash positive and they viewed the future with confidence.

All the operating subsidiaries produced good performances, with strong demand for the commence that the operating subsidiaries produced good performances, with strong demand for the commence that the proper subsidiaries are subsidiaries and the commence of the tax new subsidiaries are subsidiaries are subsidiaries and the commence of the tax new subsidiaries are subsidiaries

pany's homes. The two new sub-sidiaries in Bristol and the south midlands, which commenced trading this financial year, were operating at their expected lev

James Crosby expansion

Led an increase to 25.7 per to 25.7 per to 30 per to 30

onics, Hun its cess and Bering for a to things for a to things for a to thing of 125% parkets are into ath interests

James Croeby, the Cheshire based housebuilding company which came to the market via a placing in July, has reported pre-tax profits of \$767,000 for the half year to September 30, compared with \$688,000 for the corresponding period of the pre-

vious year.
Turnover for the period was up from \$3.08m to \$3.99m, interest charges were \$216,000 (557,000) and tax took \$279,000 (\$241,000) leaving earnings per share of 10.2p. An interim dividend of 0.5p per 10p share has been declared.

Comparative figures for earnings and dividend are not given as they are not meaningful because of the changes in the Capital structure of the group.

The group has continued to

benefit from strong demand in the new housebuilding market in the north-west over the past 12 to 18 months. Recent acquisi-An exceptional gain of \$21,000 the interim dividend at 1p per arising from a property desposal compared with a charge last time of \$200,000.

After 1966-87 recovered from \$283,000 to \$853,000 pre-tax and a final dividend at 1 per the interim dividend at 1p per the interim divide tions of additional sites place the group in a strong position to con-tinue to take advantage of the buoyancy in the manket.

Berkeley WCRS profits doubled to £7m

its for the six months ended October 31 1987 to £6.9m. Underlying organic growth was about 30 per cent, with the remainder coming from acquisitions and a reduction in the tax charge from 40 to 37 per cent. US earnings were covered at

to £184.4m while earnings per share were 9.21p (7.12p). An interim dividend was announced

WCPS Group, advertising and from a quote on the Nasday sys-communications business, tem in the US. announced doubled pre-tax prof- in the US, Della Femina, Travisano was particulally strong, although progress was less marked at HMB/ Creamer, other US agency. The Ball Partnership, based in Australia, increased billings by 45 per cent. Business is

WCRS' PR businesses are interim dividend was announced of 1.35p (0.90p). Some strongly Direct marketing start up businesses in London and Boston are both trading

item of \$49,000 relating to the gain on the partial disposal of . Exposure to the US should fall has great expectations. Underlythe group's interest in Parkway, to 50 per cent on the completion ing growth was reassuringly less a provision for costs arising of the Belier deal, which gives respectable. Fears that the Lon-

WCRS a 49 per cent stake in France's largest agency. WCRS intends to expand through Belier into France and Germany, athough Mr Peter Scott, chief executive, stressed that all acquisitions would be funded inter-

charge from 40 to 37 per cent also brisk at the London agency.

US carmings were covered at New business gains include increased focus on organic Sunshine Biscuits, Dr Scholl, growth, although it is still committed to investing for further

comment

These were good figures from a company of which the market

don agency was losing its cre-ative edge have been quelled for the time being by a healthy increase in turnover yet to filter through to the bottom line. WCRS has a somewhat ruthless reputation, but it is also regarded as well managed in an industry traditionally short of such skills. Its choice of acquisition has so far been sound, yet the rationale for the next will have to be a little more compelling. It would be encouraging to see WCRS conbe encouraging to see WCRS con-centrating more on organic growth. Year end pre tax profits should increase from \$10.1m to £13m, valuing the shares on a prospective p/e of 9 at 188p. WCRS is hardly a defensive stock, but the company's future looks bright

Triplex up 66% and plans £7m sale

ness.

Although profitable, the mill at Wednesbury operates in markets dominated by larger companies and was highly capital intensive. Proceeds from the sale, to United Engineering Steels, will "materially reduce" gearing which at the end of the half year had reached 80 percent.

UES said it will operate the Wednesbury business as a sepa-rate unit within its organisation. Triplex Lloyd, which is the product of Triplex buying fellow Midlands company F.H.Lloyd in August, reported taxable profits

year's first half loss.

Alfred Preedy losses

Alfred Preedy & Some, opera- the discontinued activities, turn-

(\$200,000. pre-tax and a final dividend of After stripping out figures of 3.15p was paid.

PRELIMINARY RESULTS FOR

53 WEEKS ENDED 3 OCTOBER 1987

TURNOVER:

£1,020M - UP 21%

PROFIT BEFORE TAX

£111.1 M - UP 20%

EARNINGS PER SHARE

25.5p - UP 20%

9.80p - UP 15%

Granada Group PLC

36 Golden Square London W1R 4AH Telephone 01 734 8080

DIVIDEND

reduced at midterm

from the wholesaling and manustrade in Octaving businesses, sold in had been 1986, was partly offset by a sugured with reduction in finance charges from \$339,000 to \$217,000.

Meanwhile

188 80 M ... 1018/25

encouraging.

The haif-year gearing figure is higher than the 45 per cent maximum Triplex anticipated when it acquired Lloyd but Mr Jim Doel, chief executive, said he

expected it to fall to about 35 per cent by the year end.

The company feels relaxed about borrowing levels, partly because its 90-acre Wednesbury site, which runs alongside the

comment

Although not planned at the enlarged plant's first month of time of the Lloyds acquisition, the sale of the steel mill looks a good move. Interest on the 27m 54.1m, the p/e is about 11.5, should more than compensate for the loss of profits, which last year were 2687,000 at the operating a high regard for the year were 2687,000 at the operating level. The disposal, which

Triplex Lloyd, foundries, engineering and building components group, yesterday reported a 66 per cent increase in interim pre-tax profits and announced the sale for \$7m\$ in cash of its steel milling and rolling business.

Although profitable, the mill dividend was at Wednesbury operates in market dominated by larger companies and was highly capital intensive. Proceeds from the sale, to United Engineering Steels, will "materially reduce" in United Engineering Steels, will "materially reduce" in the six months to \$21.3m. The site is estmarked for development and Triplex intends the value it at between \$10m and size estmarked for development and Triplex intends to retain ownership in spite of takes Triplex out of a business to retain ownership in spite of the sale of the steel mill which is sited on it.

Operating profits of \$1.5m. The site is estmarked for takes Triplex out of a business to retain ownership in spite of the sale of the steel mill which is sited on it.

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Operating profits of \$21.5m. The site is estmarked for takes Triplex intends.

Operating profits of \$21.5m. The site is estmarked for takes Triplex intends to retain ownership in spite of the steel mill which is sited on it.

Operating profits of \$21.5m. The site is estmarked for takes Triplex intends to retain ownership in spite of the sale of the steel mill which is sited on it.

Operating profits margins suffered in the first half because of the \$2m move of Par-ker into Lloyds Burton but the company is builish about east-ings prospects following the enlarged plant's first month of operation in October, Assuming

Oueens Moat hotel plan near tunnel terminal

tor of convenience stores and over showed an improvement of newsagents, returned losses of 11.4 per cent at \$32.48m, partly \$277,000 pre-tax for the six months to September 26 1987, a tobacco products.

The directors said the second Queens Moat Houses is to expertise with the \$4.3m pur-build a 200-bedroom hotel close to the M20 motorway near Ash-ford, Kent, site of the planned railway terminal for Channel railway terminal for Channel Tunnel passengers.

Tunnel passengers.

The absence of contributions tant trading period and that trade in October and November facturing businesses, sold in 1986, was partly offset by a suggred well for the run up to struction deals announced yes-terday by the Essex-based hotels

group.

Acknowledging that its rapid growth had made a dedicated property division necessary, Queens Most is to buy in the

Tunnel passengers.

The \$15m project, to be financed through the Business Hotel at Standish, near Wigan, Expansion Scheme, is part of Expansion Scheme, is part of Expansion Scheme, and construction deals announced was struction deals announced was a struction deals announced was a struction deals announced was struction deals announced was struction deals announced was struction deals announced was struction. 23m to expand accommodation to 100 rooms and build confer-ence facilities.

ence raculus.
Construction has begun on a
109-room hotel on the south side
of Sheffield. The S5.5m project is
to be financed through the

The initial payment for Taylor Williams reflects the underlying assets, which include property holdings. Additional payments will be based on profits, exclud-ing those on work done for Queens Most itself.

Creighton up 33%

Creighton Laboratories, USM-quoted maker of Natural Beauty toiletries and a main supplier to retail chains such as Body Shop and Boots, increased taxable profits by 23 per cent to \$341,000 in the six months to September 30. Turnover showed a commen

surate rise from \$1.97m to \$2.67m. Tax took \$119,000 against \$90,000 last time, leaving earnings per 20p share of 6.1p (5.1p). The interim dividend is raised to 1.4p (1.2p).

Gold Greenlees

Gold Greenless Trott, advertis-ing agency, boosted pre-tax prof-its by:45 per cent to £1.49m on turnover up from £21.77m to £25.57m in the half-year to end-

December.

After tax of \$563,000 (\$399,000), an interim dividend of 1.5p (1.2p) is to be paid from earnings per bp share of 10.25p (7.22p).

Further progress at Reed **Executive**

employment agency, has again reported a substanagain reported a substantial increase in pre-tax profits. In the 26 weeks to September 25 1967, they rose from \$2.62m to \$5.01m, on turnover up from \$29.7m to \$44.9m. This followed yearend figures which climbed from \$2.98m to \$6.52m on turnover up from \$42.96m to \$63.61m. The interim dividend rises

to 0.5p net (0.4p).

The directors said yester-day that business continued at a satisfactory level. Operating profit in the first six months improved from \$2.68m to \$4.78m. The

pre-tax figure was after interest receivable of £224,000 (£60,000 payable). There was a tax charge of £1.9m against £950,000, and stated earnings per 10p share were up from an justed 3.2p to 5.8p.

Arlen up 45%

Arien, Serishire-based electrical, electronic and engineering group, increased profits to 2754,000 pre-tax for the six months to September 30, an improvement of 45 per cent over last time's 2520,000.

Growth and progress of Growth and progress of the group was continuing with strength and potential in each area of activity.

Turnover totalled \$6.78m (\$5.22m). Earnings per 20p share worked through at 5.13p (4.95p) and the interim dividend is being doubled to 1p.

Cranswick Mill

Cranswick Mill Group, man-nfacturer of animal feeds, marketer of livestock and grain merchant, increased its pre-tax profits by \$40,000 to \$431,000 in the six months to September 26 1987 on turnover up from \$20.45m to \$24.86m.

This USM company is pay-ing an unchanged dividend of 1.85p net.

The directors said the sec-ond half had started well.

Lynton Property

Lynton Property and Reversionary, the property investment and development group, reported a visitual standstill in taxable profits for the six months to September 30 1987. The interim dividend is

increased to 1.85p (1.65p).
After net interest payable of \$749,000,(\$933,000), preinx profils came out virta-ally unchanged at \$2.53m (\$2.52m). Tax accounted for \$783,000, against \$755,000 for the comparable period, and left earnings per share unchanged at \$.7p.

Avesco up midway

Pre-tax profits at Avesco, USM-quoted manufacturer and designer of equipment for the corporate television and video industry, soared from £327,000 to £1.33m on turnover more than doubled from £3.18m to £6.58m for the half year to September 30 1967.

Earnings per in share

30 1987.

Earnings per 1p share were lifted to 2.2p (0.8p) after tax of \$481,000 (\$114,000). There was an extraordinary loss of \$180,000 (\$35,000) arising from the sale of Swift Video Facilities.

The directors said that the company was well placed to continue growth.

SHARE STAKES

Changes in company there stakes announced recently director, sold on December 2 a total of 3,500,000 shares at 44p to institutional investors in order to meet personal commitments. Mr

meet personal commitments. Mr
Garfield was issued with
6,642,857 shares in April 1985 on
the acquisition of Abaco of John
Charcol, mortgage broker.
Lowe Howard - Spink &
Bell- Mr Frank-Lowe placed
with institutions 400,000 ordinary at 275p on December 1.
This cale was made in order to Garfield was issued with 6,642,857 shares in April 1985 on the acquisition of Abaco of John Charcol, mortgage broker.

Lowe Howard — Spink & Howard — Spink & Howard — Spink & Taylor, a director, ceased to be interested in Im ordinary at 50p per share. His total interests are now 12,761,996 ordinary.

This sale was made in order to meet personal property commitments. Mr Lowe is now interested in 199p and is now interested in 877,804 ordinary and has stated that he intends not to Wwodham Groups - Charman

has stated that he intends not to wyndham Group. Chairman sell-any further shares in the Mr B A Brownhill has acquired a company for at least two years. further 137,194 ordinary at 200p Phoenix Properties and
Finance-Director Mr J Duggan
bought 25,000 ordinary at 97p on
December 1, and a further 5,000
ordinary at 96p on December 2.
Unilock Holdings.—The following directors have purchased
bowing directors have purchased
bowing directors 1, 20,000 (0.08)

Leisuretime International.

Director Mr D R Walton Masters

lowing directors have purchased Director Mr D R Walton Masters shares K T Roberts 20,000 (0.08 disposed of 100,000 shares at 58p. per cent); J E Bardwell 10,000 On the same date he acquired (0.04 per cent); R G Warner 100,000 shares at 58 kp.

20,000 and now has 3,892,152 (14.81 per cent); R L Woolgar 10,000 and now has 14,000 (0.05 per cent); M H Newman 20,000 and now has 902,405 (3.9 per

S Casket - Director Mr H Turpin purchased 35,000 ordinary at 70p and 25,000 ordinary at 67p

BOARD MEETINGS

Stirling up 11% and considers share buy-back

Stirling Group, Manchester-based clothing manufacturer which is one of the largest suppliers to Marks and Spencer, yes-terday unveiled an 11.4 per cent increase in pre-tax profits to \$1.8m in the first half of the

The company also announced

The company also announced that it is considering the possibility of buying back some of its shares following the recent stock market collapse.

Stirling saw its share price plummet during the stock market crisis. Mr Peter Bentwood, joint managing director, said that the board was concerned that the value of its equity could be affected so dramatically by events entirely beyond its control.

trol.

The board believes that the company's shares are now undervalued it wants to have the option of buying back part of the equity, should the share price fall further. Accordingly it will call an extraordinary gen-eral meeting of shareholders to seek approval for the right to buy back 14.99 per cent of the

equity.

Although M and S, which absorbs 95 per cent of its output, suffered from difficult trading during the six months to Sep-tember 30, Stirling performed well and succeeded in increasing profit margins.

The company's sales rose to \$19.3m (\$18.7m). It paid \$633,000 (\$568,000) in taxation and \$9,000 (\$9,000) in preference dividends. Earnings per share increased to 3.21p (2.88p) and an interim dividend of 0.5p (0.428p) is precent (0.425p) is proposed.

Stirling intends to invest \$1.8m in capital expenditure this year. It completed the construc-tion of a new warehouse at the beginning of the interim period.

This development has liberated factory space thereby enabling the company to increase production capacity by 15 per cent.

Mr Bentwood described trading in the second half of the year as "satisfactory". He said that the company currently has a full order book for the spring season.

comment

It is difficult not to feel sympa-thy for Stirling, nor for the other victims of the stock market crisis. Over the years it has proved itself to be one of the most effi-cient of the M and S suppliers: investing prudently in new technology to improve productivity and thence margins. Along comes "Black Monday" and plumper margins notwithstanding, it stands by helplessly as:its share price collapses. The company is cash positive. It could comfortably finance a buy-back, without jeopardising capital expenditure or even the chance of absorbing another M and S supplier. Yet Stirling's shares have performed no worse than many other members of the textile sector. If anything the prospect of a buy-back could hamper investing prudently in new techthe shares - now on a prospec-tive p/e of 9½ for the full year with projected of \$4.2m - for the City would doutbless prefer Stirling to use its cash more ambi-tiously than for buying back its

CHESHIRE

The Financial Times proposes to ... publish this survey on FRIDAY 26th FEBRUARY For a full editorial synopsis and details of available advertisement positions,

please contact: BRIAN HERON ... on 061-834 9381 or write to him at: Alexandra Buildings, Queen Street, Manchester M2 5LF. Telex: 666813

are subject to charge at the discretion of the Editor

elf aquitaine

PRESIDENT'S MESSAGE TO THE SHAREHOLDERS

Dear Shareholder,
The whirtwind that has recently shaken the financial markets has not spared your company and the EH Aquitaine share has fallen some 28% since the 8th October 1987 roughly in line with the fall of the CAC index of the Paris Stock Exchange.

This fall in no way reflects a decrease in the intrinsic net worth of your company based as it is on stable medium and long term assets.

The financial resources derived from oil and gas production remain very much subject to the respective price fluctuations. This year revenues from these areas have benefited from higher average prices than those prevailing in 1986. The volumes produced (32 million tomes oil equivalent in 1987) are down temporarily due to the steady declines at Lacq and Frigg. However they should increase substantially by virtue of the corning on stream of the Alwyn field in the North Sea and the new oil fields in West Africa. Production in 1988 should top 34 million tomnes oil equivalent, exceeding the quantities produced in 1986.

Alwyn North represents a significant oil and gas secumplation in which

shall repeat the achievements of 1986 in more than replacing reserves depleted by current production.

As regards our other sectors of activity: - the refining industry faces severe competition from products imported from the Middle East and your company is presently looking into ways of restoring profitability to this area. These means could include a closer relationship with an oil producing country. Recently-modernised pearol stations are producing results that encourage us to pursue our policy of uptrading our marketing network.

- the Group's chemical operations are reaping the benefits of the extensive rationlisation programme undergone over the last several years. This, together with the favourable marketing environment, means that this sector can actively prepare itself for the future through the enhancement of its research activities and of its production expacity. For the current year, the net income of the French chemical operations will contribute significantly to the Group's income, thereby increasing the potential for making acquisitions.

- the health and hygiene and biotechnologies sectors continue to progress favourably. Samofi, with a low debt ratio and a comfortable liquid asset position is strategically placed to proceed with a major acquisition.

To sum up, the positive factors that I have just touched on fully justify the confidence that can be afforded the Elf Aquitains Group. I have noted with great pleasure, that you, the shareholders, with a large majority, have shown your loyality, for which I wish to thank you most sincerely.

The Hongkong and Shanghai **Banking Corporation** orporated in Hong Kong with limited liability)
U.S.\$400,000,000 PRIMARY CAPITAL UNDATED FLOATING RATE NOTES



Notice is hereby given that the Rate of Interest has been fixed at 8% and that the interest payable on the relevant interest Payment Date March 8, 1988 in respect of \$5,000 nominal of the Notes will be \$101.11 and in respect of \$100,000 nominal of the Notes will be \$2,022.22.

ich, 188,

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15

drains

Cocoa dives after failure of talks

COCOA PRICES nose-dived in both London and New York yes-terday in the wake of the Inter-national Cocoa Organisation's reactivate its price support

mechanism.

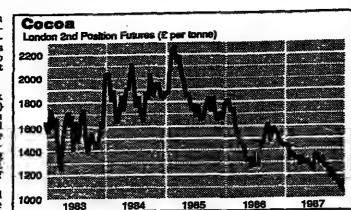
The March position cocoa contract on the London Fox (Futures and Options Exchange) opened yesterday morning down by the maximum permitted amount of \$40 a tonne, and the market was closed for the stationary 15 minutes before trading recommenced. By the close it was \$1,048 a tonne - a fall of \$89 a tonne.

On Friday the market had taken the view that it would be third time lucky for the organisation's attempts to get the buffer stock manager back into action. The buffer stock has been supported eight lucky and two suspended since June, and two attempts to review the "must buy" and "must sell" price levels had already failed since then. By the close on Friday the March contract was up \$43 a tonne at \$1,137 a tonne. Dealers were expecting the producing and consuming countries to rec-oncile their differences later that

evening.
In the event the talks collapsed in the early hours of Saturday morning, leaving the market high and dry and the prospects for the agreement gloomy. The meeting has been technically adjourned until the end of February

ruary.

The opening of the talks last week had not inspired the mar-ket with confidence. Until Fri-



SDRs for "must sell" since the 1986 cocoa agreement came into effect early this year. In May and June the buffer stock manager, who already has 100,000 tonnes of stock held over from the previous agreement, bought 75,000 tonnes - the maximum he was allowed to take before the levels had to be recrimted. had to be reviewed.

Meetings of the organisation in July and September ended in dis-agreement, with the Ivory Coast - the biggest producer - opposing

AN ERA is coming to an end in Chicago as the last of the area's famous stock yards go up for sale. Their closure, which could come within the next few months, will mark the passing of the industry on which the city was built and which gave rise to Chicago's fame as the "hog butcher to the world."

During their peak period at the turn of the century, the yards were already built premises at Joliet — some that they are moved out they are already built premises at Joliet — some to be sold, and it is sunlikely any purchaser will keep them open since the number of cattle turning up for market there has dwindled in recent years.

Mr Harian Bane who runs the decline ever almost the number of cattle turning up for market there has dwindled in recent years.

Mr Harian Bane who runs the Joliet yards, having moved with the business from Chicago, recalls that when he started at the stock yards in 1953, they were already losing their pull.

only a small portion of the US market, which ranges around 28m head a year, mostly from domestic feeder lots. But deliv-

eries from south of the border keep prices in the southwest of

the US down, a fact that is wel-

comed by some feedlot manag-ers, but not by cow breeders.

Feeder cattle are young animals which are fattened up in

End of the line approaches

for Chicago stock yards

Mexico sets quota for

US FEEDER cattle imports are expected to rise in the next three, level, but is still nearly 60 per, months following Mexico's cant shead of 1985's exports.

Mexicon imports are supported by the still nearly 60 per.

cattle exports to US

day Prices had remained around the lowest for five years as producing countries battled with week the producing countries each other about the level of prices which they selt ought to be defended.

The levels have remained at the price to be defended. But on Thursday last week the producing countries had hammered out an agreement which allowed for a reduction in both levels of 115 SDRs a tonne. which allowed for a reduction in both levels of 115 SDRs a tonne. The levels have remained at 1,600 SDRs (Special Drawing other measures designed to Rights) for "must buy" and 2,270 SDRs for "must seli" since the 1985 cocoa agreement came into offered to the consumers form

> side the agreement - which con-sumers balked at.
>
> If a price cut had been agreed, the buffer stock manager would have been able to take a further 75,000 tonnes of cocca off the market, taking his holding to the help Ghana to rehabilitate itsvimaximum permitted level of tal cocca sector through a pro-

recalls that when he started at the stock yards in 1953, they were already losing their pull. Since then, technological advances, including refrigerated truck transport, have removed the need for a centralised meat packing industry.

When the Joliet yards were opened, herds of around 10,000 cattle a week were arriving for suction, but this has slowed to a steady trickle of less than 500. Most of the cattle arrive on Mondays, Mr Bane explains, with a couple of hundred hogs turning up throughout the week.

Today, the focus of US live-stock farming has shifted away from the mid-west, and over 85 per cent of the cattle business is

states. Livestock farming in the mid-west has largely been replaced by big grain farms and the mest packing industry has been concentrated in the hands

of fewer and fewer companies.

Mid-west farmers who still

entrated in seven southwest

up throughout the week.

However, some analysts have been doubtful that any purchase for the buffer stock would be effective in supporting the market, given the low prices prevailing this year and the prospect of

ing this year and the prospect of a fifth successive year of supplies outstripping demand.

Some also doubt whether the buffer stock manager has sufficient funds to buy as much as 75,000 tonnes, given that the organisation is owed about \$45m in outstanding levies.

Analysts believe the price could now drift below \$1,000 a tonne as the prospects for the coming harvest become clearer—unless there is a sudden deterioration in the West African crop.

ration in the West African crop. Meanwhile, traders in Malaysia

of the six largest producing countries - said that they could live with the low cocca price. The question is - can the international Cocca Agreement? Ghana's cocoa industry will receive a fresh injection of funds over the next five years follow-ing an agreement with donors to provide a total of \$128m, accord-ing to the official Ghana News

Agency, reports reuter from which included plans for a quota on imports from countries outside the agreement - which consumers balked at.

If a price cut had been agreed, worth \$40m from its soft loan affiliate, the International Devel-

opment Association. tal cocos sector through a pro-gramme starting early next year.

CHIICAGO

STOCKYARDS

IT'S NO GOOD YOU HANGING

deliver to Joliet will have to travel further affeld to either Peoris - 100 miles away - or East St Louis in Missouri to find the nearest stock yard.

Last year the lamb crop was

tions during the lambing period meant the survival rate of new

born lambs was much

More lambs

born in NZ

FOR SALE

MacGregor to unveil set-aside scheme

By David Blackwell

BRITISH PROPOSALS to pay farmers who agree to cut cereal production are to be unveiled by Mr John MacGregor, the Agriculture Minister, today.

Following decisions taken in Brussels earlier this year on a package of Common Agricultural Policy reforms, each member state is under obligation to produce a plan by April 1 1988 aimed at reducing the Community's grain surplus. Compensation under this so-called extensification scheme would be paid to farmers who voluntarily agreed to reduce their cereals output by different methods, including setting aside land.

Those decisions, under the socio/structural package, preceded the recent, somewhat vaguely-worded European Commission plan for a Communitywide set-aside scheme, which was brought into the crucial automatic price cuts once the production targets are breached.) The set-aside idea, which has been tried with mixed results in the US, is now seen in Brussels as a useful complement to price cuts in the cereals sector and one

way of encouraging West Ger-many in particular to accept a measure of CAP reform.

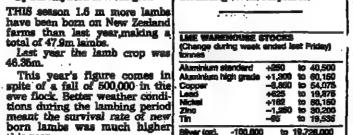
Although it was a major issue at the Copenhagen summit last weekend, the idea failed to break the deadlock over the whole range of EC budget reforms which were on the agenda.

Mr MacGregor's expected announcement, coming so soon after the collapse of the Copenhagen summit last weekend, has worried UK farmers, who fear any action that might be taken by Britain without its EC partners.

Mr Simon Gourlay, president of the National Farmers' Union, said yesterday: "We favour a set-aside scheme, but Britain cannot go it alone; it must be part of an EC package with strict controls and policing. Britain can justly claim to have prompted some of the

thinking in the Community on set-asides with a controversial paper written the informal meet-ing of EC farm ministers in the English lake district in Septem-ber 1986.

Mr MacGregor is known to be strongly behind a "set ande" scheme. Lest July he told the Home Grown Cereals Authority that the EC could not rely on decreasing the price paid to farmers as a means of reducing mounting cereal surpluses.



Breeding nostalgia at the Smithfield show FARMER'S

THE ROYAL Smithfield Show, which is running at Earls Court this week, has become very popular in recent years. Farmers from all over the country flock to London each December to spend a day at the Show while their wives do the Christmas shooping.

their wives do the Christmas shopping.

This year, much to my regret, I am prevented from attending the event by illness from a commercial standpoint my main interest at the show is in the machinery displays; but for me the cattle hold the chief personal attraction, albeit a nostalgic and academic one.

tion, albeit a nostalgic and academic one.

Although I have never kept beef cattle on my own account my farming apprenticeship was spent largely in their company.

On leaving school my first job was on a beef farm in the West Midiands. My boss was a grazier. He bought cattle in the early spring and brought them home to graze his pastures through the summer. Then in late June he sent them back to market again. Even to my youthful eyes it did not seem a very profitable enterprise. I came to know the several hundred cattle I looked around every day quite well. around every day quite well: They are very individual beasts and I soon noticed that a number of them did not fetch as much

on sale as they had cost.
I pointed this out and asked if an account was kept of these matters. As a keen apprentice I even suggested that it might help if I kept accounts myself.

He would have none of it however. He loved his cattle and told me that even if isolated beasts did not show a profit the enterprise as a whole did. In any

vith such marvellous stock.

I have been back there since. Those on show at Earls Court

VIEWPOINT By John Cherrington

ever, and found that, just as in Britain, breeding pure beef cattle was no longer regarded as an economic use of land. The ranches I had worked on had ranches I had worked on had been adopted dairying or had been ploughed up for cereals. To cap it all, when I got back to England after four years away my old boss got in touch to offer me the chance of starting his own 200 cow dairy. Which I did.

The problem with beef cattle is that they are among the world's poorest converters of feed into meat. They are nowhere near as efficient as pigs or poultry, and on grass they are not as good as sheep. On my land a ewe will produce about her own weight in tamb in a season; a breeding cow will take another six months at theast.

ited the Smithfield Show just to keep in touch with trends.

Until about 20 years ago the traditional British breeds were supreme but the main animals on show were usually cross-bred. This was to take advantage of the factor of heterosis, or hybrid vigour, which means in effect that a cross between two pure breeds is usually more produc-tive than a pure breed.

case, he enjoyed it.

Then came the invasion of the This last was the telling European breeds, led by the Chaphrase. Enjoyment blinds many rolais from France which have larmers the requirements of spread throughout the world. farmers the requirements of spread throughout the world. good business.

I then spent two years on beef blood in most of the Smithfield ranches in Argentina. These cattle. What the imports brought reared some of the finest beef cattle in the world to supply cattle in the world to supply reflecting their original use as chilled beef to Britain. The British stock had been turned breeds were Scots Aberdeen British stock had been turned over exclusively to meat producter land, with Herefords running on the rougher country. I count myself lucky to have worked small and too fat for modern with such marvellous stock.

these days still seem like that, but they are pleasing to the tra-ditionalist's eye. Moreover the competition between breeders is often judged by breeders as well; hardly an unbiassed jury.

Doll

anve and then on the nook. Into results with little apparent correlation between a winner in the live class and the butchers' ideal

This, according to some in the meat trade, is a bad example for farmers to follow and accounts for many complaints about over-fat animals.

The truth is, however, that farmers have little incentive to take up on the hook grading. About half the cattle and two thirds of the sheep are still graded alive in markets, by much the same sort of criteria of carcase conformation as are applied at Smithfield,

Most farmers prefer live grad-ing because if they do not like the results they can withdraw their stock. Exporters and super-market suppliers are now calling for compulsory carcase grading and if we are to have a worth while industry it must come. It is significant that pigs and poultry, which are the main competitors to red meat, are never graded

The financial backing for Smithfield comes from the machinery manufacturers, for which it is the main British

Farm machinery is an interna-tional business these days and there is no doubt that the multinational manufacturers appreciate the protection afforded to farmers by high European Com-munity produce prices.

'Guarded optimism' on US farming

ALTHOUGH THE US farm credit system is still struggling under the weight of the agricultural recession, the outlook for farm financing is one of "guarded optimism" with the agricultural according to the US financial health of a sector that Department of Agricultura.

The paper warned, however, that financial stress will endure in 1988, particularly for highly geared farmers with substantial interest or rent expenses. And it emphasised the worry about the beauth, according to the US financial health of a sector that is highly dependent on Govern-

A Department paper described the 1987 American farm econ-omy as "characterised by income recovery, a lower debt burden and asset stabilisation."

"Current returns to equity and assets are in the 3-5 per cent range - higher than most years during the 1960's '70's," it said, "while cash income is projected to decline 5 to 10 per cent in 1988, there is likely to be a con-tinued consolidation of balance

Thanks to the government payments, strong livestock profits, declining costs and unprece-dented yields, American farmers record net farm income of \$45hn about he same income or \$450h.

But this is expected to drop by about 5 percent in 1988. Under budget deficit legislation moving through Congress, farm subsidies will be severely trimmed, and farmers who extends the congress of the congre

reduction programme will find they have to remove more land for less money.

Although Congress is moving to ensure the survival of the Farm Credit System with a \$4bn rescue, some of the provisions in the ball-out legislation are hindering the system's competitive ness, one speaker said last week.

According to Dr Danny Klinefelter, an economist with Texas A & M University, the system's credit worthy borrowers are going to have to pay higher costs. Under the legislation likely to emerge, the rescue will be funded by the issue of 15 year bonds with the federal govern-ment paying all of the interest for the first five years.

PER CURREN

WEY MAF

Dec 4 Dec 5 min ago yr ago 1675,6 1689.3 1651.8 1637,1 DOW JONES (Base: December 31 1974 = 100) 129.54 131.68 126.55 131.07 132.76 129.02

this year's exports to the US.

because of internal wrangling

ment and the country's cattle-

men. The cattlemen are eager to cash in on the estimated \$400m of hard currency their exports to

the US accrue, but the Govern-ment needs the beaf to keep down internal prices. This year's quota, at 1m head of cattle is

quota announcement had

LONDON MARKETS

NICKEL PRICES continued to move ahead on the London Metal Exchange, with the second postion contract adding a further £60.50 a tonne to last week's rise of £98.50. This left the metal at £3,704 a tonne - the highest level since once it breached the £3,650 mark, briders said, which sparked chart-related buying by institutions. It appeared to be rather overbought - but supplies are still tight, with a rise of only 162 tonnes in News that total stocks of both 99.5 per

cent pure and 99.7 per cent aluminium by 1,550 tonnes made little impact on the market, as the rise constitutely small movement when compared to those seen in recent weeks. Meanwhile coffee prices shed 210 a tonne in quiet trading. Dealers sald they were waiting for further clarification from the International Coffee Organisation talks yesterday and today

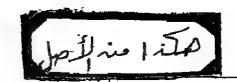
on the n	umber of qu nd-Decemb	ota cuts pos er.		350 375	62 50	5214 651/2
LONDON	METAL EXC	HANGE		(Prices supplied	by Amelgenie	ed Metal Tracks
	Close	Previous	HighyLow	AM Official	Kerb close	Open Interes
Aleminium	, 99.7% ports	y (S per tonne)			Filing	turnover 0 ton
Cash 3 months	1670-80 1655-65	1665-75 1650-60		1670-80 1655-66		2,462 iota
Aleminius	,99.6% purity	(2 per tonne)			Fling turn	nover 7,960 ton
Cash 8 months	925-6 906.5-9.5	919-22 905-7	923/922 915/907	923-4 909-10	915-17	59,032 lots
Copper, G	rada A (2 per	tonne)			Ring turn	over 44,750 toru
Cash 3 months	1440-5 1281-2	1350-5 1210-11	1297/1263	1437-40 1275-7	1283-4	81,845 lota
Copper, Si	tanderd (£ per	r tonne)			Ring	tumover 25 ton
Cash 3 months	1365-75 1260-5	1225-45 1185-1205	1365	1360-80 1255-85		39 lots
Sliver (US	cents/fine out	nce)			Ring tu	mover 20,000 o
Gash 3 months	666-9 679-82	670-3 684-7	858	658-60 672-4	680-5	626 lots
Lead (£ pe	r tonne)				Pling turn	nover 4,075 tors
Cash 3 months	354.5-5.5 340-40.5	358-60 341-2	357 342/340	358.5-7 341.5-2	340-1	12,802 lots
Nickel (É p	er tonne)				Ring tur	nover 2,334 ton
Gesh 3 months	3742-7 3708-5	3680-90 3642-5	3710/3670	3720-6 3665-70	\$690-3700	8,969 lots
Zine (£ per	tonne)				Aling turn	nover 5,000 tons
Cash 3 months	477.5-8.5 481.5-2	474-6 478-9	483/481	478.5-9.5 482.5-3	481-2	14,635 lots

LONDON BULLION MARKE Rold (fine cz) \$ price 480.90 481.15 482½-48 479½-48 \$ price £ equival 276-279 276-279 276-279 2871/2-2681/4 1399/-14/5 89-731/4 274/4-2771/4 274/4-30 63-63/4 83-84 2799/-2851/4 49-54 11314-11434 11314-11434 502-512 US ets equit 663.00 676.00 669.10 716.25 IGE TRADED OFFICIES Jan Mar Jan Mar 65½ 25½ 79 55 36 93½ 46 49 109 Copper (Grade A) Jan Mar Jan Mar 202 231 62½ 247 143 191 108 306 97 157 156 369

Crude oil (per barrel FOE Dec ember) + or • \$18.59-5.63z -0.165 \$17.75-7.80 -0.126 \$18.50-8.55z -0.30 + 07 -Heavy Fuel Oil Naphthe +0*-Gold (per troy oz)ê Silver (per troy oz)ê Platinum (per troy oz) Paliadium (per troy oz) 23850 16.99r 319.50 \$860 44,375c London daily suger (raw) Londonicially suger (white) Tate and Lyle export price +0.50 +0.25 +1.00 1310.0 1298.0 1320.0 1313.0 1170.5 1165.0 1295.0 1319.0 Turnover: 245 (371) EA here were 23,842 packages on offer in this resk's sale including 3,800 packages in the fishor's saction, reports the Tee Brokess' societion. A strong demand prevailed. Best and medium Assams met improved ompetition and put on 5-10p, sometimes some, and dusts were a cood feature. Pleiber 2006. and dusts were a cood feature. Pleiber more, and dusts were a good feature. Plahe reriefles, however, stayed week. East Africa were again well supported with bright follow and good medium sorts often 5-10p higher. and good medium sorts often 5-10p higher, Selected lesser types also made substantial geins. Central Africans received limited enquiry and shed swretal pence. Offshore tess came in for good demand at firm rates. Quotations: quality unq (unq), medium 112p a leg. (108p), low medium 82p (82p).

1017 1048 1086 1086 1106 1133 1156 er: 6825 (7747) lots of 10 tonnes Close Pravi Close 189.60 191.60 215.00 211.50 219.00 215.60 224.00 221.50 224.00 221.00 224.00 220.50 229.00 226.50 231.00 230.00 164.75 164.80 161,25 158.00 163.75 182.50 162.75 162.75 160.00 156.00 152.25 150.00 116.35 118.20 120.40 122.75 103.35 105.35 106.00 117.65 119.60 122.30 103.35 106.35 108.15 108.29 110.00 111.55 97.70 99.95 102.35 108.40 110.20 111.35 97.80 99.85

WORLD COMMODITIES PRICES Chicago PLATINEIN 50 WOV CZ. SPITOV CZ. OYABEANS 5,000 bu min; cents/60to bushel 485.6 489.1 497.6 806.1 514.9 523.1 Previous High/Low 589/6 598/6 604/0 806/4 602/4 575/4 586/6 574/0 581/0 826 (276) lots of 100 torses. HEATING OIL 42,000 US galls, cents/US galls BOYABEAN NEAL E/torne ICCO Indicator prices (SDRs per tound), Daily price for December 7: 1884.76 (1455.28) .10 day average for December 8: 1434.41 (1440.70) . 56.20 54.90 52.25 50.05 48.90 48.10 47.75 SOYABEAN OIL 60,000 lbs; cents/b 125.00 Close High/Low 18.77 18.79 19.13 19.43 19.60 19.60 19.45 19.40 19.48 18.71 1245 1230 1268 1253 1284 1275 1299 1294 1815 1305 18.71 18.80 19.14 19.43 19.60 19.60 19.45 19.40 19.48 SELVER 5,000 troy az; cente/troy az. Turnovic: 105 (55) lots of 100 ton Previous High/Low **US MARKETS** 674.0 676.2 681.5 687.0 696.2 705.4 714.9 729.5 734.1 Precious metals were quiet and under Turnover: 1617 (1811) lots of 5 tonnes ICO Indicator prices (US cents per pound) to December 4: Comp. daily 118.27 (114.99); 15 day average 115.99 (118.08). pressure, raports Drexel Burnham Lambert. Fund selling depressed gold but trade buying was noted. Silver SOYABEAN MEAL 100 tons; S/ton but trade buying was noted. Silver opened lower but recovered on dealer buying in a session dominated by locals. Plathrum fell on early local selling which touched off light stops before locals covered. Copper firmed on overseas, arbitrage and trade buying. Crude oil fell on a combination of trade and local selling before fund buying and local short-covering pared losses. Cocoa fell sharply to close \$150 lower for December and limit-down in the back months following the collapse of the ICCO tails. 210.7 200.7 191.2 183.5 179.2 179.0 178.7 173.5 172.1 1748 1750 1830 1859 1888 1917 1952 1962 MAIZE 5,000 bu min; cents/ 185/0 191/6 196/2 200/4 198/4 195/2 201/0 **New York** 124.53 127.98 130.25 132.23 133.50 136.06 137.50 137.63 124.10 127.90 129.90 137.80 135.50 135.00 123.15 127.01 129.05 131.00 133.00 135.00 GOLD 100 troy oz.; \$/troy oz. WHEAT 5,000 bu min; cer Turnover: Raw 1944 (1771) lots of 50 tonn White 2244 (1596). Paris- White (FFr per tonne): Mar 1207, May 12 Aug 1270, Oct 1268, Deo 1280, Mar 1310. Close Previous High/Low 164.25 162.50 164.00 162.55 160.50 159.75 156.50 155.76 153.25 151.00 180.00 LIVE CATTLE 40,000 tos; car Ciose Dec Feb Apr Jun Aug Oct Dec 63.17 59.45 61.92 62.07 60.27 59.72 61.50 111.00 104.40 100.25 196.15 89.50 85.90 84.40 83.15 82.95 82.75 Jen Feb Mar May Jul Sep Dec Jan Mar COTTON 50,000; cents/lbs 64.80 64.90 65.60 65.75 63.20 62.13 63.37 98.00. 0 Q 88.00 Close 43.07 41.15 37.77 40.85 41.70 40.27 37.95 38.75 43.17 41,46 37,95 40,90 41,70 40,35 38,00 38,75 42.40 40.75 37.40 40.55 41.35 40.07 37.52 38.35 CRUDE OIL (Light) 42,000 US gails \$/barrel 170.50 169.00 168.00 167.50 166.75 0 167.50 166.80 166.05 165.50 165.50 169,10 168,00 167,90 168,95 162,95 158,95 158,95 51,92 51,97 53,40 \$1.90 \$1,82 52.40 · 52.30 51.50 51.50



CITY **BUSINESS SCHOOL**

FOREIGN EXCHANGES

Dollar awaits trade figures

Dealers noted the Federal Reserve may have joined the Bank of England in supporting the dollar on Friday, but considered the US attitude towards preventing a further slide in the value of its currency as less than whole hearted.

Itom 95.5.

STERLING-Trading range against the dollar in 1987 is 1.8260 to 1.4710. November average 1.7770. Exchange rate index fell 0.1 to 75.7, ompared with 72.6 six is months ago.

Sterling straddled DM3.00 at the close in London last night, the highest closics.

Deficits on the US budget and trade remained the main underlying influences on the market.
There was doubt that Congress will sunction the proposals to cut the budget deficit, but the main factor in deciding the direction of the dollar this week is likely to be October's trade figures.

These will be published Thursday, and in general the market expects no improvement on the September deflicit of \$14.08bn. On seasonal grounds the deficit is likely to be worse, although some of the more optimistic forecasts mut the Occober deficit at casts put the October deficit at only \$14bn.

The median expectation is just below \$15bn, but if the figure is as high as other forecasts in the region of \$16bn the dollar is likely to come under renewed pressure. In quiet trading the dollar rose to DM1.6715 from DM1.6690; to FFr5.6650 from FFr5.6575; and to 8Fr1.8660 from SFr1.3640, but eased slightly to Y132.75 from Y132.80.

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the close in London last night, the highest closing level since mid-October. In the meantime the pound has rarely moved below DM2.99, but fear of Bank of England intervention has pre-vented the currency moving

towards a short term rise by sterling, but the market is less confi-dent about the longer term pros-

THE DOLLAR encountered not fresh factors yesterday and there the dollar's index rose to 95.6 was no sign of intervention by tentral bunks.

Dealers noted the Federal Reserve may have joined the Bank of England figures to 95.6 dollar in featureless trading. Apart from questions about intervention policy, after the against the dollar in 1987 is 1.8260 to 1.4710. November Bank of England figures the dollar in featureless trading. Apart from questions about 1.8260 to 1.4710. November buying on Friday, there was nothing to move the US currency with closed at DM1.8705 in Frankfurt, compared with months ago.

DM1.6635 on Friday.

The Bundesbank did not intervene when the dollar was fixed at DM1.6707, against DM1.6536 on Friday. This was near the upper end of the dollar's range, but trading was very quiet.

JAPANESE YEN-Trading range against the dollar in 1987 is 159.45 to 122.45.

November average 135.90.

Exchange rate index 232.0.

against 221.9 six months ago.

	Ecu erminij estes	Currency Amounts against Ess Dec. 7	% change from castrat vate	% change adjusted for Givergence	Observation of the last of the
leigian Franciansk Krone lands Krone ernan D-Mark reach Francials lock Guilder risk Poel laftan Lisp	42.4582 7.85212 2.05853 6.90403 2.31943 0.768411 1483.58	13.1468 7.96737 2.06447 7.00251 2.32321 0.775783 1521.16	·	•	#2.5344 #1.5404 #1.0901 #1.3674 #1.5012 #1.6684 #4.0752
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POUND SPOT	- FORWA	RD ASAI	NST THE	POUND	

STERLING INDEX

CURRENCY RATES

Bank el Bank	CURRENCY	MOAFW	EKIZ .
Causariam Schilling	Dec. 7	Each of Eagland Indigit	Margus Guartety Changes %
Morney Coursely disposer States 1961.	Casarian Acilar Austrian Schilling Belgion Franc Danish Kreun Dentsche Mark Swess Franc Gelider French Franc Lin You	75.7 95.6 77.1 101.4 95.9 181.2 196.9 77.4 852.0	-18.1 -10.9 -10.5

TOTAL STATE OF ENGLAND STATE OF STATE O OTHER CURRENCIES

MONEY MARKETS

LONGER TERM rates were a lit-tie firmer in. London yesterday. The ever sharpening yield curve reflected a feeling held by many traders that while base rates may fall another half a point, the lon-ger term trend remained upwards.

Doubts caused by the possibil-Doubts caused by the possibil-

UK clearing bank base. lending rate 8½ per cent from December 4

ity of a widening UK current account deficit next year and the effect on sterling, were seen as the principle factors behind the rise in rates.

Short term rates were confined to a narrow range. On the one hand there was a good deal of liquidity generated by a reluctance to invest in equities or commit funds to long term fixed rate investments but the money market was facing considerable shortages, as previous assistance given by the authorities matured.

around 9 p.c.

The Bank of England forecast a shortage of around \$600m with factors affecting the market DMIL.5bn.

above DM3.00.
Interest rate differentials point

	Ecu creint cates	Currency Amounts against Eco Dec. 7	% change from castrat vate	% change adjusted for divergence	Charge and
plan Franc ish Krone gran D-Mark nch Franc of Gelible t Pott	42,4582 7,85212 2,05853 6,90403 2,31943 0,768411 1483,50	13.1468 7.96737 2.06447 7.00251 2.32321 0.775783 1521.16		•	#1.5144 #1.5404 #1.09E1 #1.3674 #1.5012 #1.6686 #4.0752

December.7	Day's spread	Close	Own month	SA.	Three meths	15 P.A.
Connib	1.7910-1.7900 1.2508-2.7540 3343-337, 425-42.77 21.59-11.59-1 11.26-11.244 259-1.00-2 241.9-244.0 22.19-22.114 11.579-11.63-1 10.62-10.952 2574-2384 21.04-24.54	1790-1790 2350-2350 1364-337 42-5-426 1150-1157a 1125-1126 279-300, 2420-2430 2005-2206 1131-1142 1041-1043 277-230, 2105-2109 2444-245	0.08-0.0kepm 0.05-0.1 ceds 13-11-cem 13-11-cem 13-11-cem 13-11-cem 14-11-cem 14-11-cem 14-11-cem 14-11-cem 14-11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-cem 11-ce	445 445 445 445 445 445 445 445 445 445	C34-C30pm C27-C30pt Sig-Spr Si	477 477 477 477 477 477 477 477 477 477
Bahyim (1966) 13-manus 12	C-1.10 F/S	Francis Nac	265-6275 . Sk-	maria tipr	nest dalar 0.66-0	77 s but

dien (10							
Design D	Dec. 7	50crt 10710	7 Dept policy	One Month	Three Mouths	Siz Months	Same American
	n. Dollar Guilder , Franc urschrünk , Franc Blan Une Fr. (Fina) Fr. (Con.)	A STATE OF THE STA	######################################	क्रम्बन्धम् ६५ ५५५ व इन्द्रम् सम्बद्ध	arceviasi saasi arceviasi raasi	のためながれる。 ではなるながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではなながらながら、 ではなながらながら、 ではなながら、 ではなながら、 ではなながら、 ではなながら、 ではながら、 ではながら、 ではながら、 ではながらながら、 ではながら、 ではながらながら、 ではながらながら、 ではながらがもがらがもがらがらがらがらがらがらがらがらがらがらがらがらがらがらがらが	のではながらなった。 ではながらない。 ではながらなった。 ではながらない。 では、 では、 では、 では、 では、 では、 では、 では、

Dec.7	2	2.	DM	Yes	F Pr.	S Pr.	N Ps.	Lim	C\$	B Ft.
\$	0.557	1745 1	3.000 1.672	238.3 132.8	10.17 5.665	2.453 1.367	號	200	2.554 1.312	62.60 34.80
YEN	0.333 4.197	0.598 7.532	12.59	79,42 1000	3,386 42,67	0.817 10.29	1124 1436	7363 9272	0.784 9.875	20.87 262.7
F Fr. S Fr.	0.984 0.408	1.765 0.752	2.951 1.223	243.4 97.15	10 4.145	2.413	1318	2173 900.7	2.315 0.960	61.58 25.52
W.FL.	0.297 0.453	0.502 0.602	0.590	70,64 107.9	3.01.4 4.602	0.727	1.527	655.0 1000	0.648 1.065	18.56 28.34
C S B Fr	0.425 1.597	0.762 2.865	1.275 4.792	101.2 380.6	4,319 16,24	1.642	1.433 5.387	938.6 3529	3,760	26.50 100

You per 1,000: French Ft. per 10: Line per 1,000: Belgion Fr. per 100.

UK rates higher

including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining \$810m and the unwinding of previous sale and repurchase agreements a further \$824m. In addition banks brought forward balances \$85m below target. These were partly offset by Exchequer transactions which added \$565m and a fall in the note circulation of \$470m. note circulation of \$470m.

The forecast was revised to a shortage of around \$650m and shortage of around \$550m and the Bank gave assistance in the morning of \$56m through outright purchases of \$56m of eligible bank bills in band 1 at 3% p.c. and \$10m in band 2, also at 8% p.c.

Additional help in the afternoon fotalled \$268m and com-

Additional help in the after noon totalled \$268m and comprised further purchases o \$158m of eligible bank bills in band 1 and in band 2 \$50m of eligible bank bills, all at 8% p.c. Lab help came to \$255m, making a total of \$589m.

In Frankfurt, trading volume was on the low side as dealer awaited details of today's sale

one year interbank money rose to 8½-8½ p.c. from 8½-8½ p.c. while the three-month rate was higher at 8½-8½ p.c. compared with 8½-8½ p.c. Overnight money opened at 8½-8½ p.c. and touched a low of 8½ p.c. before finishing well bid at around 9 p.c.

The Bank of England forecast

FINANCIAL FUTURES

Gilts move in narrow range

dent about the longer term prospects in expectation of a worsening UK current account balance of payments.

The pound rose from DM2.9975 on Friday, but fell 30 points to close at \$1.7940-1.7950. Sterling also declined to FFr10.1650 from FFr10.17 and to Y238.25 from Y238.75, and was unchanged at SFr2.4525.

D-MARK-Trading range against the dollar in 1987 is shows progress in implementing plans to cut its budget deficit.

The dollar closed at Y132.65 in Tokyo, compared with Y132.60 on Friday.

RRE	ncy Unit	rates		
	Currency amounts against Eco Dec. 7	% change from cast-rat 1786	% change adjusted for divergence	Charge sector
582 3212 3853 3463 3411 358	13.146 1.56737 2.06447 7.00251 2.32321 0.775783 1521.16		·	#1.5344 #1.5404 #1.0981 #1.3674 #1.5684 #4.0752

ich Gollder is Peat Nao Licy	27	31943 232 68411 0.775 83.50 1521	321 783		1 2	5012 6684 .0752
	-	critice change denoted Times.			OUND .	
comber.7	Day's spread	Close	Own month	9.2	Three smeths	76 P.A.
nada cheriando cheriando cheriando caspris land Garcopy rizgad y rizgad y restay cates	1.7910-1.7920 2.3508-2.3550 3.363-3.377 42.52-42.77 11.49-11.59- 11.742-11.74 2.492-3.00- 2.41.04-244.01 2021-2.2114 11.570-11.63 10.162-10.052	1.7940-1.7950 2.3530-2.2540 3.354-2.372 42.95-62.65 11.564-11.57a 11.255-11.245 2.994-3.007 262.80-263.67 26364-2.2096 11.64-10.17 10.824-10.834	0.08-0.04cms 0.05-0.14cds 13-14cms 15-4cm 15-4cm 16-14cds 65-84cds 5-84cds 64-7-ccells par-1 ₂ cds 1 ₂ -1 ₄ cds	445 445 445 445 445 445 445 445 445 445	0.34-0.30pm 0.27-0.30pm 0.27-0.30pm 35-21pm 35-21pm 35-21pm 20-20pm 20-20pm 217-25/pm 31-10pm 3-11-0m 3-11-0m 114-2-56pm	0.73 0.75 1.79 1.79 1.22 1.43 1.43 1.43 1.43 1.43 1.43 1.43 1.43

lecember.7	. Dep's	Close	One mice)	% p.t.	Titree	
K†	1.7910-1.7980	1,7940-1,7950	0-80-0,60cpm	4.68	· 0.34-0.30pm	Q.
	1,5905-1,5958	1.5940-1.5950 1.3105-1.3113	0.08-0.03cpm 0.09-0.12cds	4.96	0.38-0.20mm 0.40-0.43dm	1.1
esberbands .	18735-18824	1.8790-1.8800	0.60-0.57	133	1.47-1.42mm	1 1
eložen	34.81-34.95	N.65-31.95	6.00-2.00 mm	设	12.00-7.00mm	L
terrent	642-6454	6.44-6.45	L00-1.70areds	-527	3,40-4,104	4
Ceremy.	35.80-136.10	16710-16720	0.69-0.66pfpm 30-100cds	1.55	175-1.70m 175-3254	1 7
	112 40 113 14	112.65-112.75	45-60cdu	43	130-1604	13
· ·	1227-1232	12301-12514	2.20-2.304radis	-219	8.50-11.504	T
PP49	6.457-6.47 ·	6.47-6.47\s	3,90-4,25meds 0.30-0.40ms	-75	11.45-11.854a	-7
100	5.65-5.674g	5.664-5.665 6.03%-6.03%	0.50-0.70media	-0.74	1.05-2.35dk	37
The same	13245 13240	13270-13280	0.43-0.40	3.75	116-111bm	3.
pirty	11.724-11.77	11.741-11.73	4.00-3.00g-open	3.57	11.00 9.00pm	1
described .	1.3590-1.3670	1365-1366	0.55-0.50cpm	4.62	1.36-1.33 pm	3.

Dec. 7	- (Short 10710	7 Deys pelico	One Month	Three Mouths	Siz Months	Day Yadar
Constant Cons	The state of the s	45 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$55555555555 8-35555555555	## 844 ## 544 F# ## 844 ## 544 F# ## 144 ##	SCHOOL STOPPE	ではないできまったような

EXCHA	EXCHANGE CROSS RATES													
Dec.7	2 '	\$.	DM	Yte	F Pr.	3 Pr.	H Ps.	Lim	£\$	B Fr.				
\$	0.557	1745	1.000 1.672	23k3 1328	10.17 5.665	2.453 1.367	號	2209 1231	2.554 1.312	52.60 34.86				
- DM	0.533	0.598 7.532	12.59	79.42 1000	3,386 42,67	0.817 10.29	1124 1436	7363 9272	0.784 9.875	20.87 262.7				
F Fr.	0.984 0.408	1.765 0.732	2951 1223	243.4 97.15	10 4.145	2413	3.318 1.375	2173 900.7	2.315 0.960	61.58 건도				
N FL	0.297 0.453	0.502 0.612	0.590	70,64 107.9	3.014 4.602	0.727	1.527	1000	D.698 1.065	18.56 28.34				
. Sž	0.425	0.762	1.275	101.2	4,519	1.042	1433	938.6	3760	26.50 100				

FT LUMDON INTERBANK FIXING

92% 92% 91%

1-min 3-min 6-min 12-min 17938 17913 17882 1785

Estimated Volume 4253 (5257) Previous day's open int. \$2540 (5779)?

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LIPTE-STEELING CES, NO. 5 per S

91.47

NEW YORK 110-3-20 8,000 1,000 4,500 3,71875 10,125 5,55 7,7500 3.50-3*6*5 8.3750 湯ニニニ

LONDON MONEY RATES

December 7	(Internight)	7 days metica	Dae Menth	Three Moules	Six	Year
Interbank Offer	9.00 8.25	8.5625	8,425 8,50	9.625 8.50	8.6875	8,9375
Interback Bid	- 825	8.4375	6.50	8.50 8.50	8.5625 8.5625	8.8125 8.6875
Sterling COs	. 2.50	850	A 50	M 67	25425	8,6875
Local Authority Bonds	. 230		8.50 8.75	R 9155	8.825	8,9375
Discount Mist Deps.	9.00	8.375	8.375	8.625 8.625 8.125		-
Company Deposits	8.625	11,625	8.625	8.625	8.75	8.75
Figure House Deposits.	-	-	8.3125 8.3125 8.3125	1.625	والنفع	1
Treasury Bills (Bay)	. •	-	8 31.3E	. LS1250	2.25	
Bank Bills (Bey) Fire Trade Bills (Bey)	-		9.00	8.875	8.875	
Dollar COs	_	-	6.10-6.05	7.80-7.75	7.80-7.75	8.00-7.5
SDR Linked Dep Offer	-	-	6.50 6.25	6.4375	6A375	6625
SDR Linked Dés 646	-	-	6.25	6.1875	61875	6.375
ECU Linked Den Offer		•	6.8025	6.875	7.9375	7.08
ECU Linked Dep Bid	-		6.6875	6,75	7.8125	4,875
Treasury tillis (sell);	Con- securit il	Mark Cont.	are name 3	per DIE. San	e les luit;	-
in the Series Series From Fre						
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W 1977	IV: 91	Sec les	Authorite and	France Hos	H SHA BE	100 to 10
Sen out had free	House Bay	154 95 b	on December	L. 1987; Bar	t Depart Ra	B 14 20
	or one Combi	COMPANY OF THE	Company (Series	6 Gr Bennelt 9	160 000 and	out had b

5.07 7.53

LIFFE TRADING was rather subdued yesterday, with traders already talking about a fall off in business shead of Christmas.

"People hurt by the recent crash are being restricted in how much they can trade, while those who made money are keeping it," suggested one dealer. There was certainty a fall off in volume. While long term gilt futures managed nearly 23,000 lots traded, the day's range was less than one full point.

Prices opened on a weaker note and continued to drift until about 2pm at which point a modest amount of shortcovering was sufficient to push values to the

And in return for your commitment and effort, you'll acquire knowledge that will be of value to you way beyond the immediate goal of passing your exams. Applications must be completed by December 30, so for full course details and a registration form, call Donne Lee on 01-920 0111, extension 2289, or jeckie Macisaac on 01-588 2355, extension 28476.



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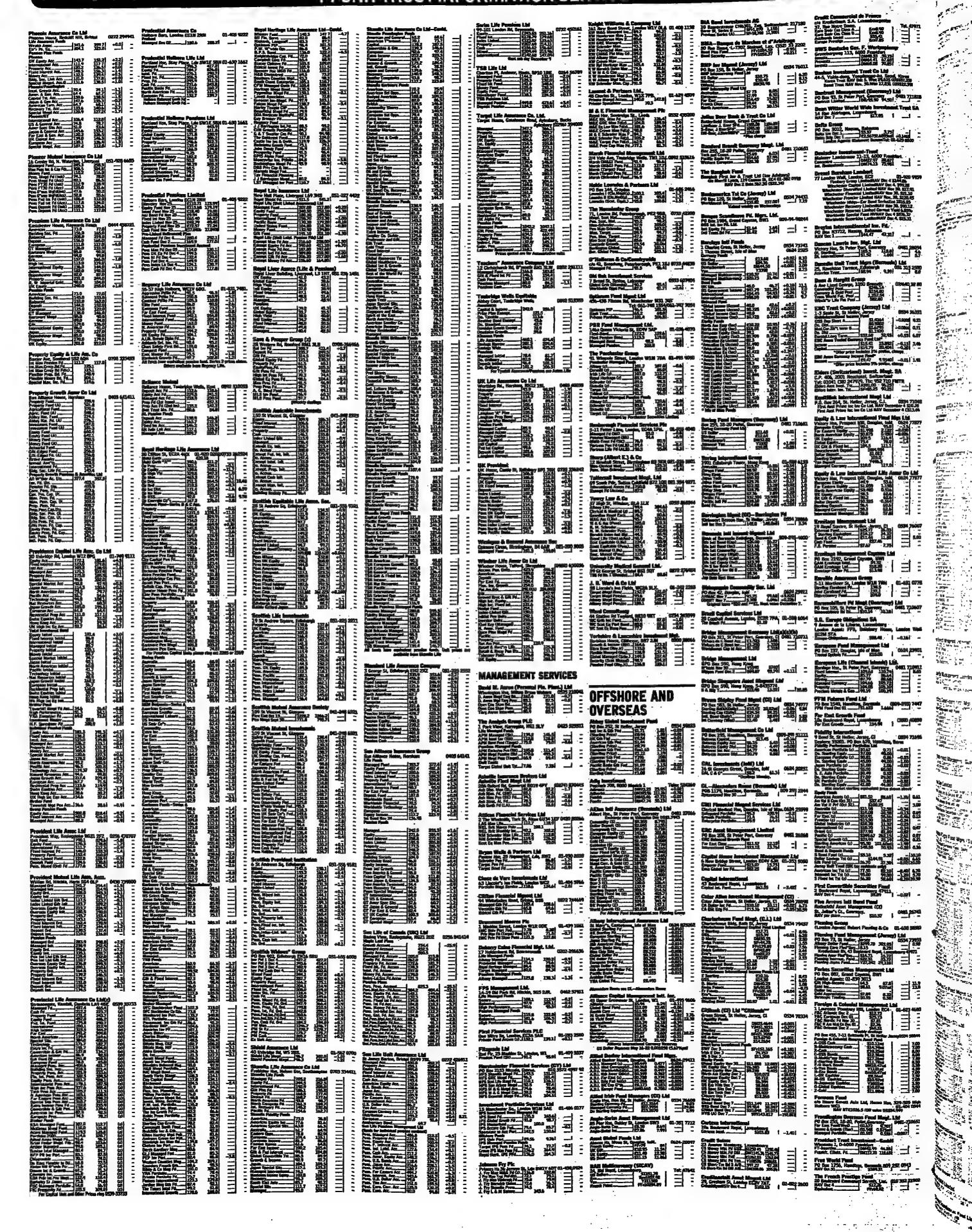
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LONDON'S SECURITIES markets which promises significant dis-closures of the economic fortunes of the major trading nations. With the dollar steadier, equities opened the new trading account firmly, but slipped off their best levels when Wall Street faltered in early trading. An easier trend in the pound weakened Government bonds initially, but prices rallied

The City's attention is focus on Thursday, when the latest US trade figures are due. Whatever

trade figures are due. Whatever the news on the deficit, and London analysts expect little improvement in the October figures, it is likely to set the pace for the dollar in the near term. The US trade figures will be accompanied on the same day by the Japanese trade figures for November, and then, on Friday, by the latest US retail sales statistics. With these heavyweight factors looming, the markets made little response yesterday to made little response yesterday to the UK retail sales figures for

You would be foolish to chance your arm ahead of the US trade figures", commented Dr Ahnab Banerji of Nomura Securities. Fund managers are known to be flush with cash after restructuring battered portfolios. However, they are still very cautious towards equities turnover remained well below bull market lovels.

levels.

The FT-SE 100 index gained nearly 20 points at first, breaching the 1600 mark for the first time since the dollar turned down again a week ago. But Wall Street, although higher, made a somewhat irregular start, and the FT-SE 1600 herrier was reinthe FT-SE 1600 barrier was reinin the oil and gas sector apart from BP and British Gas; turnstated at mid-afternoon. At the from BP and British Gas; turn-close, however, the FT-SE over of 4.8m shares in Britoil folshowed a net gain of 15.6 at lowed a strong advance in the share price - finally up 12 at The firm start reflected a 185p - as a bear squeeze development.

The firm start reflected a steadier tone in market comments from some major UK securities houses. Warburg Securities, while recognising that the UK market will be "crucially dependent" on the rate of US growth next year, suggested that the UK market could see a near term correction of 10-15 per cent, with a further rise in line with earnings growth. It has reduced its up their 10.44 per cent plus holding in BP, again topping the 50m shares by a couple of percentage points -"a little less than we originally guessed".

Kleinwort Grieveson Securities, oped.

The oil sector has performed the oped.

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kielnwort Grieveson Securities, however, warns that any rally could prove short-lived, in the region of a further 20m reminding investors that FT-SE 1730 has so far proved a selling trigger.

Against this uncertain background, the first half of the session brought some selective buy-

Modest rally in blue chip international equities

but prices close off the top

	FINANCIAL TIMES STOCK INDICES												
	Dec.	Dec.	Dec.	Hov.	Dec.	Year		67	Since Co	mpilation			
	7	4	3	2	1	Ago	High	Low	High	Low			
Government, Secs	89.04	89.58	89.97	89.85	89.76	81.34	93.32 (8/5)	83.73 (19/10)	127,4	49.18 C3/1/75)			
Fixed Interest	96.75	96.60	96.85	96.39	96.38	88.A5	99.12 (15/6)	90,23	105.4	50.53 (30.75)			
Ordinary V	1279.3	1262.7	1263.6	1266.9	1249.g	1275.5	1926.2	1232.0	1925.2	49,4 (26/6/40)			
Sold Mines	323.2	329.4	337.0	341.3	338.3	324.4	497.5	261.6	734.7	43.5 (26/10/71)			
Ord Dis. Vield 4.87 4.93 4.91 4.89 4.96 4.46 S.E ACTIVITY													
Earnings Yid, %(ipil)	12.05	12.21	12.15	12.10	12.27	20.46	4	ndices	Dec.4	Dec_3			
P/E Ratio (set)(*)	10,14	10.01	10.06	1016	9.96	11.69		ــــ عشوية		143.6			
SEAD Bargains (Som)	20,542	25,389	23,323	20,499	25,280	33,250		ales !		148.0			
Equity Turnover (Ent)	_	1036.58	875.86	1009.27	770.29	1162.22	5-Day avera	ge	_	1			
Equity Bargains		28,957	22,842	23,976	26,238	49,802		Sargains		124.3			
Shares Traded (mil)	•	968.1	467.7	425.0	359.2	666.6		ains		154.4 1643.3			
• Opening 10	LITE.	11 a.m.	7 [Noon	I p.r	n [2 p.m.	3 p.m	4	p.gt.			
	6.8	1278.7		281.7	1281		1280.6	1279.		81.5			
		Day's	High 1	282.1	Day's	low 120	57.5						
Black 100 Gort.	Sees 15/3	V26. Fixed	let. 1928.	Ordinary 1/	7/35, Gald	Mines 12/9	25. S E Act	uity 1974. *	N#-10.00.				

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

Both conventional and IL Glits remained unsettled by reports of forced sales by a trading firm.

Moreover, the City has yet to be convinced that last week's interest to the city in France will be convenient to the city of the

the possible outcome of the but battle, but the majority view was that RTZ may now pull out of the fray taking a susbstantial dealing profits with it, via its 21.7 per cent stake acquired through the dawn raid engi-neered by brokers BZW and floare Govett a couple of weeks

sgo.

S. & W. Beriaford, the UK-based commodity trading, financial services, property and foods group, one of whose principle subsidiaries is British Sugar, rose 14 to 269p following annual profiles at the top of market estimates and a subsequent modifies and one a subsequent positive analysts' meeting.

Associated British Foods decided to allow an offer of 400p cash per share for Berisford to lapse at the beginning of Novem-ber because of deteriorating market conditions. ABF stated at the time that its interest in acquiring

British Sugar was undiminished.
Granada Group advanced 12
to 272p in the wake of the company's announcement of preliminary figures slightly above analysis estimates. Granada is currently bidding

bined share exchange and cash mer 5 off at 338p.

Switch from Commercial Union into Legal and General failed to trigger any major share price movements. But Wood Mackettaile's advice on selling Pearl and buying Prudential left the for-

bined share exchange and cash ject of an unwelcome \$206m offer, but the ER board has cashoffer from UK group RTZ attracted a counter bid worth from French group Legrand. MK shares subsequently edged up 6 to 667p as speculators moved in on the view that another bid could well be in the pipeline.

Dealers held mixed views on the possible outcome of the bid battle, but the majority view was the battle battle, but the majority view was the battle but the battle but the majority view was the battle but the battle but the majority view was the battle but the but the battle but the but the battle but the battle but the across the board but the level of business remained painfully low. Barclays moved up 8 to 438p helped by a recommendation by Citicorp Scrimgeour Vickers for clients to switch into Barclays from NatWest; "We no longer think that NatWest justifies a 1.3 per cent lower yield than Barclays and would advise investors to switch" says analyst Tim Clarke in Citicorp Scrimgeour Vickers' latest Banking Weekly. But NatWest remain on Wood Mackenzie's buy list and the shares edged up 5 to 520p. Royal Bank of Scotland were 8 up at 313p - Morgan Grenfell rate the shares a "strong buy" citing "earnings quality, a big discount to net asset value, and bid interest thrown in for nothing."

Strategies of the stream and a better feel about the sector had a better feel about it he sector had a better feel about it he sector had a better feel about it. Late trading saw leading issues a shade below the best, but Bine Circle still managed a rise of 8 at 303p and EPB Industries impuroved 8 to 230p. Coatain put on 8 to 247p on vague stakebuilding rumours; Trafalgar House speak for just over sent of the equity. George Wimpey firmed 6 to 193p and Taylor woodrow gained a similar amount to 255p. Elsewhere, Berkeley Group gained 8 to 219p in reply to the excellent interim figures, while Roward Holdings put on 11 to 56p following favourable comment. Anglo United, a dull market last week in the wake of poor results, rallied strongly to close 6 higher at 37p. Dealings in loss-making Tysome (Contractors) resumed Sank of Scotland were s up at 313p - Morgan Grenfell rate the shares a "strong buy" citing "earnings quality, a big discount to net asset value, and bid interest thrown in for nothing."

Standard Chartered, which announced the sacking of 100 employees in Singapore, were 3 harder at 438p.

Merchant banks gained ground helped by the general market improvement which left Kleinwort Benson 15 up at 303p and Morgan Grenfell 10 higher at 238p.

favourable comment. Anglo United, a dull market last week in the wake of poor results, rallied strongly to close 6 higher at 37p. Dealings in loss-making Tysons (Comtractors) resumed at 27p with a close of 30p compared with a suspension price of 54p following a change of control and cash injection by Manchester-based J.F. Donelon.

Cli were helped by a steadler US dollar and settled 21 higher at 288p.

NEW HIGHS AND LOWS FOR 1987

The final retail sales figures for October came out at 0.9 per cent - a shade above market estimates according to dealers who marked the leaders higher after

In addition securities houses Phillips and Drew and Wood Mackenzie were said to have taken a positive view of the sec-tor after the recent steep falls in

share prices.

Marks and Spencer, especially pressured after the recent profits downgrading by Citicorp Scringeour Vickerds and others, rallied 8 to 174p. Sears, amid further talk of possdible stake-building activity, edged up 6½ to 131p while Eatners, after the recent highly successful presentation to Scottish institutions, jumped a further 14 to 238p. jumped a further 14 to 238p.
Next jumped 10 to 252p after
announcing it was withdrawing
the Allens group from sale and
following talk that broker Wood Mackenzie had upgraded the shares from a "hold" to a "buy". Storehouse, however, lost 14 to 232p in the continuing absence of a cash alternative to the Ben-lox all shares offer. Underwoods jumped 3 to 122p following takeover speculation.

over speculation.

Dealers cited a short position as being mostly responsible for the strength of BICC which moved up smartly to close a net 10 up at 331p after a turnover of 3.1m shares. Press comment

Engineers recorded several firmer at \$10%.

oteworthy movements Braith Elsewhere, Williams Hold. Engineers recorded several:
noteworthy movements. Braithwaite featured a late rise of 12
at 213p in response to news of
the sale of the business of its
wholly owned subsidiary Braithwaite Engineers. Triples Lloyd,
reflecting the good interim figures, advanced smartly to close
12 higher at 177p, while Tex:
Holdings gained 10 to 110p following favourable week-and

Press mention. Birmid Qualcast edged up a couple of pence more to 313p; news of the cash bid of 300p per shrare from Blue Circle came well after market hours. Among the leaders, GEN improved 6 to 259p after acquisition news and a newspaper suggestion that the company is about to clinch an order from Honda.

Foods were selectivley firm, sentiment boosted by slightlybetter-than expected preliminary better-than expected preliminary figures from major commidity trader S. & W. Berisford. Northern Foods, half-year figures due tomorrow, found support and rose 7 to 264p, while rather more favourable currency influences belied Resented in 1999. helped Rowntree rise 9 to 390p and Cadbury Schweppes harden a couple of pence to 227p. Hillsdown attracted occasional buying interest at 235p, up 5 and Unigate added 4 to 269p. In the Retailing sector.

Argyll were prominent and 269p. In the Retailing sector, Argyll were prominent and firmed 6 to 176p, but investors adopted a cautious stance awaiting today's interim results from Dec Corporation and the price fluctuated narrowly prior to closing unchanged at 159p.

The dollar's steadier performance encouraged tentative sun-

mance encouraged tentative support for major overseas earner Grand Metropolitan which picked up 10 at 391p; the annual results are due on December 17. Trusthouse Forte improved 7 to 193p and Ladbroke hardened

3 to 301p. International stocks were given a mild boost in the wake of a steadier trend in the U.S. 3.1m shares. Press comment of a steadier trend in the U.S. dollar. However, actitivity failed to expand from the recent low shares. Thorn EMI added 7 at the expand from the recent low shares. Thorn EMI added 7 at the expand from the recent low to expand from the recent low the expand from the recent low expa mercial paper programme for up to \$400m, advanced 12 to 357p.

Ecckitt and Colman gained 21 to 735p Glavo closed a shade

Elsewhere, Williams Holdings were noteworthy for a fall of 15 at 190p after news of the proposed sequisition of Berger Jenson and Nicholson from Hoechst U.K. for a consideration of £100m and the settlement of inter-company debt of approximately £33m. The deal is to be financed by the placing of some

ian, the computing arm of the Swiss company Inspectorate International, left DPCE Hold-

International, the prompted ings 5 higher at 180p.
Trading statements prompted several good movements in the Advertising sector, with Cariton Communications advancing 37 to 590p in response to the pre-liminary figures and WCRS ris-ing 10 to 188p on the Interim

results.
Properties were better where changed, Land Securities, 415p, and MEPC, 400p, both rising 5.
Peachey rose 8 to 333p, while improvements of a few pence were seen in British Land, 220p, and Slough Estates, 217p, the former's half-year figures are due on December 15. Marler Estates were 4 dearer at 425p on the proposed sale of Queen's Park Rangers Football Club to Chasegiade, a new company set Chaseglade, a new company set up by David Bulstrode, and formed specifically to acquire OPR and continue to run its as a GPR and continue to run is as a first division football club. Derwent Valley attracted support following Press comment and rose 17 to 525p in a restricted

market.

Dealings were temporarily suspended in Abaco at 54p, up 3, pending a possible offer for the company. British and Commonwealth is a major shareholder (27.45 per cent) in Abaco. Elsewhere in the Financial sector. Smith New Court hardened 5 to 180p ahead of Thursday's half-year statement.

Traded option business picked up and a total of 25,419 contracts were transacted, comprising

up and a total of 22,419 contracts were transacted, comprising 14,183 calls and 11,236 puts. Pilkington attracted 1,696 calls and just 9 puts; the interim results are due on Thursday. BT registered 1,698 calls and 2,050 results are due on Industry, Bi-registered 1,688 calls and 2,050 puts, while Marks and Spencer attracted 1,815 calls and 2,770 puts. The FTSE contract showed only 378 calls and 423 puts.

Traditional Options

Last dealings Dec 11
Last declarations Mar 3 • For Settlement Mar 14

For rate indications see end of London Share Service

Stocks to attract money for the call included Redfeara National Glass, Bond Corporation, Control Securities, Blacks Leisnre, Standard Chartered, Epicare, Eagle Trust, Elswick, Britoll, Han-son Trust, Walker Greenbank, Campari, Bolis-Royce, Dares financed by the placing of some financed by the placing of some 54m shares at 185p per share. Beed Executive responded to the the interim figures with a Loudon Investment Trust. Put options were arranged in P. and Park edged up a couple of pence to 98p on the preliminary figures. Hopes of a bid from Merid-

FT - ACTUARIES INDICES

ing from the fund managers,

concentrated on the interna-tional stocks which have been hurt by the strength of sterling. Glaxo, ICI and Jaguar, fea-tured on the list of share gains.

Oil shares also performed well, as the latest burst of Kuwaiti demand for British Petroleum lifted confidence ahead of this month's meeting of the Opec ministers.

Corporate trading news played

a minor role in the marketplace, but the mood was helped by the promised offer terms for MK

Electric from Legrand of France. News that L.F. Rothschild planned a "briefing" in New York discouraged a London market

already nervous over the pres-sures on its own trading firms.

This week brings interim figures from Smith New Court, which will incorporate a brief portion of the post-Black Monday experi-

Government bonds took a heavy tumble in early trading to the initial downturn in the

formance by US Treasury bonds

in Japan overnight. There was very little selling pressure, how-ever, and prices quickly rallied

interest rate cuts in Europe will be reflected in a recovery by the

٠:	EQUITY GROUPS	y Deci	mber 7	1967		FH Dec 4	The Dec 3	Wed Des 2	Year ago (apprint)		
F	gares in parentheses show number of stocks per section	Index No.	Bay's Colonge	Est. Earnings Vield% (Max.)	Gross Div. Vieto% (Act at (27%)	PAE Ratio (Met)	al ad. 1987 in date	Index No.	index No.	iedez No.	Index alo.
1	CAPITAL GOODS (214)	540.81	+9.8	11.04	4.48	11.38	20,46				673.70
2	Building Materials (30)	811.26	+1.7	11.89	4.62	10.48	26.06	798.83			846.37
3	Contracting, Construction (33)	2199.65	+13	10.39	415	12.87	34.66				
4 5	Electricals (14)	1861.97 1393.41	+1.0	9.83 11.43		13.23	64.72 38.48	1843.92		1	
6	Mechanical Engineering (60)	379.71	+0.9	114	511	10.84	12.17	317.31		1	382.11
- 8	Metals and Metal Forming (7)	301.68	+2.4	10.54	430	11.45	12.43	388.54			348.87
- 6	Motors (14)	224.43	+1.2	13.61	536	2.56	7.34	221.65	,		267.70
10	Other Industrial Materials (23)	1127.98	-8.2	9.09		13.08	37.45	1130.5	1133,47	1141.36	1177.70
21	CONSUMER GRBUP (182)	945.83	+1.5	9.14	3.82	13.91	24.28	932.37			936.71
22	Brewers and Distillers (21)	912.70	+0.5	1134	4.26	11.10	24.09	996.26			922.41
25	Food Manufacturing (23)	758.34	+13	10.09		12.74	22.50	748.3			738.42
26	Food Retailing (17)	1909.40	+1.1	8.36	3.38	15.95	47.36	1984.74			1850.96
27	Health and Household Products (10)	1786.12	+1.4	6.77	2.63	17.35	33.67 29.83	1462.82			979.36
29 31	Letsure (29) Packaging & Paper (16)	1994.76 446.31	+1.3	8.46 9.44	4.57	14.79 13.94	12.53	442.61			489.61
32	Publishing & Printing (15)	2940.15	+1.2	7.44	4.97	16.99	98.06	2905.91			
34	Stores (35)	770.92	+2.4	948	191	13.86	28.18	752.7			837.11
35	Textiles (16)	542.13	+33	1218	434	9.52	17.60	524.7			
40	OTHER GROUPS (87)	766.80	+0.3	12.01	4.82	19,35	22.54	764.A			797.53
42	Agencies (17)	284.54	+16	7.92	269	16.15	37.18	270.3			9.9
42	Chemicals (21)	956.07	+1.5	10.40	4.90	11.74	33.55	942.34			
43	Conglomerates (13)	1031.26	-0.3	11.70	5.06	9.82	28.57	1033.94			4.0 153A.27
45	Shipping and Transport (11)	1592.84	+8.3	10.67		12.29	57.73	1588.85 #13.87			788.35
47 48	Telephone Networks (2)	813,46 1943,82		1324	5.20	10.06	20.21 34.90	1917.87			
49	INDUSTRIAL GROUP (483)		-0.4	14.73	4.57	12.12	23.54	276.82			
		824.89	+3.6	10.38	425						
51	Off & Gas (17)	1553.14	+16	10.70	6.33	11.53	65.84		-		ESSL53
59	500 SHARE INDEX (500)	886.63	+11	18.43	4.56	12.62	27.18			_	682.13
61	FINANCIAL GROUP (121)	573.37	+8.4		5.45	-	22.25	571.10			. —
62 : 65	Banks (8)	591.16	+1.4	22.56	6.62	5.86	26,94 32,54	583.38 348.95			
66	Insurance (Life) (8)	843.77 457.43	-0.6	_	5.45 6.02		32,56 20,16	461.5			453.05
67	Insurance (Brokers) (8)	759.54	+1.1	14.61		8.76		751.1			1174.89
68	Merchant Banks (3.1)	312.41	+11		458		10.09	307.89	308.41	312.69	363.55
69	Property (49)	\$51.95	+0.5	6.67	3.58	21.66	22,60	848.84		267.06	809.95
70	Other Financial (30)	347.49	+0.1	10.37	4.56	12.22	11.96	347.22	349.27	348.16	362.56
71	Investment Trusts (87)	742.07		-	3.41	-	17.82	742.00	754.50	758.83	\$58.6 <u>1</u>
81	Miolog Finance (2)	401.59	-2.6	11.32	4.25	9.95	12.77	412.4			746.85
91	Overseas Traders (10)	873.71	+1.8	18.34	5.72	11.34	<u>37.00</u>	858,0	-		\$12.86
99	ALL-SHARE INDEX (720)	803.05	+0.9	-	4.66		25,52	795.9	_	_	
		ladex	Day's	Day's	Day's -	Dec	Dec	- Dec	Dec	Nov 30	Yestr
		No.	Change	High	Low	4_	3	2	1		1623.4
	FT-SE 300 SHARE INDEX 4	1598.4	+15.6	1662.6	1547.1	15823	1584	1590.3	1578.5	13/7.7	
	FIXED INTERI	EST			AYER	age gro	YIELDS		Mon Dec 7	Fri Dec 4	Year ago (approx.)

	. F1)	KED I	NTE	REST	•			Average Gross Redemption Viels	s	Mon Dec	Fri Dec 4	Year ago Capprox
	PRICE INDICES	Mon Dec 7	Day's change %	Fri Dec 4	nd adj.	xd adj. 1987 to date		Article Covernment Low 5 year Coupons 15 year	rs	8.51 9.42	8.48 9.37 9.27	10.65
2 3 4	British Government 5 years 5-15 years Over 15 years Irredeemables		-0.23 -8.06	124,29 141,39 147,80 164,33		12.14 12.41 13.59	6 7 8 9	Medians 25 yes Coupers 15 yes 25 yes High 5 yes Coupers 15 yes	rs	9.24 9.14 9.51 9.52 9.75 9.55 8.98	9.27 9.12 9.59 9.55 9.19 9.72 9.34 8.97	10.66 11.39 11.01 10.64 11.46 11.20 10.73 10.36
6 7	All stocks	137.52 125.25 119.77 120.84	+9.01	1	-	218 289 289	121213	Imiter-Cicked Inflation rate 5% Inflation rate 5% Inflation rate 10%	5yrs er 5 yrs 5 yrs er 5 yrs	2.53 3.73 2.85 3.79	2,52 3.73 2.84 3.79	3.80 3.79 2.37 3.64
9	Belgatures & Louis Preference	118.97	+0.16	119.01	 -	19.62	損	Lease 15	years years	19.58 19.56 19.56	10.56 10.56 10.58	
10	·	60.37	-42	 	0.06	صه	.18	Preference	1	10.57	10.55	

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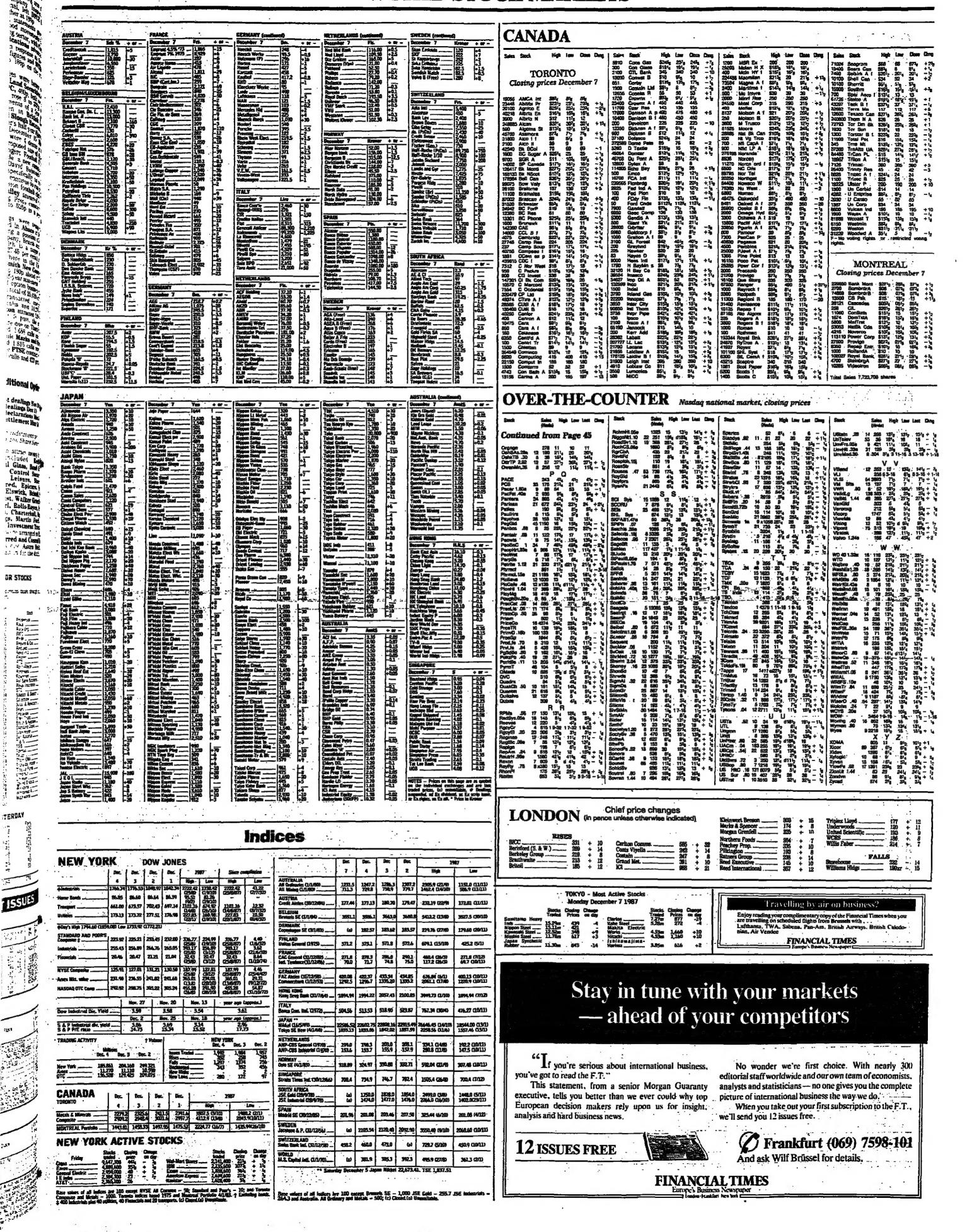
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The following is based on trading volume for Alpha Scourities dealt through the SEAQ system pastering mail 5 pm. Ryl Bank Scotlanti | boyal Insurance | Bit | Bit | Bit | Bit | Bit | Bastchi LONDON RECENT ISSUES EQUITIES 58 73 235 127 89 +4 166 76 19 116 66 FIXED INTEREST STOCKS 13/11 Closing Price

TRADING VOLUME IN MAJOR STOCKS

WORLD STOCK MARKETS



The state of the s

YORK STOCK EXCHANGE COMPOSI 想在历史系统的不管表生现了作品的可以现代的简单的特殊不可感觉的特殊的所有的特殊的,也是不是一种的,我们是一种的,我们是一种的,我们是一种的一种,我们是一种的人的 1.445330031555574 46171120025445661001346555515746656116664665555746655557466555746655746655746655746655746655 | Life | 1977 | 27 | 77 | 78 | 54 | 55 | 54 | -1 | 65 | 65 | 197 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 |

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AMERICA

Selected blue chips relieve gloom

Wall Street

SELECTIVE BUYING concenselective Buting contentrated in blue chip cyclical stocks helped pull the equity market higher yesterday in what was clearly a reaction to last week's substantial falls, writes Janet Bush in New York.

The Down Jones Industrials

The Dow Jones Industrials The Dow Jones Industrials Average closed 45.43 points higher at 1.812.17 It may prove significant that the market managed to close above the 1.800 level, regarded by technical analysts as a crucial support and resistance level.

sistance level. As so often after a week of of hectic activity, business yester-day was subdued. Volume of oay was subdued, volume of shares traded totalled a touch under 150m, well down on Thursday and Friday last week. Traders were still shell-shocked by last week's selling and were even less willing to take posi-tions given a series of important economic releases later this week. The mood remained pessi-

Key among these is Thursday's announcement of October's US trade figures. The consensus forecast is for a delicit of \$14.6bn but many economists are more pessimistic and are looking for a shortfall of perhaps \$16bn. The fate of the dollar, whose weakness last week was a prime depressant in both equity and bond markets, is intimately tied

to the US trade performance and equity traders are likely to remain on the sidelines until the figures are released.

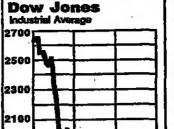
figures are released.

Friday sees the release of retail sales for November which will be widely watched for some hard evidence of consumer behaviour in the wake of October's share price collapse. Forecasts range widely from 1 per cent down to 2 per cent up.
On the same day, November

producer prices data are released and are expected on average to be 0.3 per cent higher. Again, there is a wide range of forecasts from a fall of 0.2 per cent to a

Any sign that strong domestic demand coupled with capacity constraints in some industrial sectors is leading to upward pressures on prices will fuel the already-high level of sensitivity in the bond market about inflationary pressures.

The tone at yesterday's opening had been slightly less negative, partly due to the dollar's rebound after Friday's coordinated central bank intervention. However, prices were later undermined by the Federal Reserve's decision not to inject funds into the money markets despite the fact that Fed Funds funds into the money markets despite the fact that Fed Funds



were trading at 6% per cent. sectors is leading to upward pressures on prices will fuel the already-high level of sensitivity in the bond market about inflationary pressures.

The US Treasury bond market yesterday remained weak. The Treasury's 8.875 per cent 30-year issue ended just under one percentage point lower to yield 9.21 per cent.

The tone at presentage agent.

Were trading at 6% per cent. This raised concern the Fed may have edged higher its target for Fed Funds to nearer 7 per cent which it appeared to be aiming at in the first raised concern the Fed may have edged higher its target for real transportation of Funds to nearer 7 per cent which it appeared to be aiming at 6% per cent.

The raised concern the Fed may have edged higher its target for real transportation of Funds to nearer 7 per cent which it appeared to be aiming at in the formal transportation of the late bounce on Friday. Although for-

the US is shifting policy more towards supporting the dollar, traders here wanted to see more concrete evidence of this. Activity is expected to remain quiet prior to Thursday's trade figures.

Blue chip stocks saw some

TORONTO STOCKS closed sharply higher as bargain hunting and a stronger US dollar boosted major share groups.

The composite index rose 73.40 to 2982.55 as advances led declines by 418 to 411 on volume of 20.7m shares.

demand. IBM closed \$1% higher at \$109%, Merck jumped \$4% to \$158 and General Electric gained \$1% to \$41%

Texaco gained \$1% to \$32% on reports that the company was now willing to make a non-refuandable \$1bn payment to Pennzoil in return for a \$3.5bn limit on the judgment against Texaco. This increased hopes a settlement of the dispute can be reached. Merrill Lynch had risen \$4

Merrill Lynch had risen 5% during morning trading on speculation it will buy the clearing operation of L F Rothschild but fell back after the actual announcement to close unchanged at \$19%. L F Rothschild shares closed \$% at \$4% after it announced substantial to lesses

Share prices of major US copper producers firmed in line with copper prices. Alcoa gained \$2% to \$43%, Alcan Aluminium rose \$1% to \$24% and Phelps Dodge put on \$2% to \$42%.

Canada

TORONTO STOCKS closed

Shy institutions leave Nikkei down in thin trade

19, Oct 1987 Dec

normal levels. Prices were easier.

before setting their courses.

Australia

nomic outlook

2500

2400

SMALL-LOT selling in tiny volume eroded the modest gains of morning trading to tip share prices lower towards the close in Tokyo yesterday, writes Shigeo Nishiwaki of Jiji Press. The Nikkel average shed 86.89

from Saturday to close at 22,586.52 after rising 108 earlier in the session. Turnover was only 291.08m shares, against 335.77m on Friday, Declines outnumbered advances by 437 to 365, with 190 issues unchanged.

Institutional investors mostly sat on the sidelines, reluctant to open new positions before the outcomes of the US-Soviet summit, a general meeting of the Organisation of Petroleum Exporting Countries and the trade figures - all of which are likely to affect market senti-

Early and sporadic interest in high-technology stocks faded later to leave the sector largely off its highs. Hitachi finished off its session peak at Y1,860, up Y10 in busy trade. Matsushita Electric Industrial turned down from

a bright opening to close Y20 lower at Y2,090, while Sony ended Y10 higher at Y4,920 after recovering to the Y5,000 level with a Y110 advance to Y5,020. Among large-capitals, Nippon Steel Iinished unchanged at Y421 and Ishikawajima-Harima Heavy Industries edged Y2 higher at Y616. Kawasaki Steel climbed Y9

to Y348 on active turnover. Sumitomo Heavy Industries the day's most active stock with with 15.29m shares traded, rose Y11 to Y454 before profit-taking pushed it off Y4 to Y439.

Base values: Dec 31, 1986 = 100

Tokyo 2600 9

Dealers adopted a cautious approach, apparently waiting for 3 cents to A\$4.35. Small-lot buying was immediately met by larger sell orders.

The yield on the 5.0 per cent Government bond due in Octo-

Government bond due in Octo-ber 1997 slid from Saturday's 4.720 per cent to 4.710 per cent at one stage, but turned up later to reach 4.790 per cent. Prices rallied on the Osaka Securities Exchange, with the OSE stock average advancing 22.20 to 22.906.60. Trading was thin with only 45.10m shares changing hands, down by 23.43m shares from the full-day session on Friday. FOREIGN INVESTORS continued to sell in a market with few buyers as uncertainty over the direction of major stock markets and the dollar hung over the

Singapore

and the dollar hung over the market.

The Straits Times industrial index declined 34.53 to 700.45 after prices fell steadily from the start and showed no signs of later resilience in the absence of fresh market signals.

Among the major losers, Metal

Some brokers who believed buying support would emerge at 1,800 on the Hang Seng are reviewing their positions. "There is nothing to stop it going through 1,800," said one.

"With all this good news — interest rate cuts in Europe and here at the weekend — we'd norfull-day session on Friday.

Tsudakoma gained Y50 to
Y1,100 after reporting a sharp
upswing in profits, while Miyuki
Keori jumped Y140 to Y1,280.

Y11 to Y454 before profit-taking pushed it off Y4 to Y439.

Japan Synthetic Rubber lost Y14 to Y843 after rising Y12 but Tokyo Steel, benefitting from forecasts of a sharp rise in profit in the year ending November 1988, spurted Y121 to Y892.

Selected shipping issues were favoured by speculative buyers. Meiji Shipping and Kyoei Tanker advanced Y100 to Y677 and Y56 to Y99 respectively.

The bond market also suffered the weekend as the dollar firmed.

A DROP in the gold price and Friday's declines in London and on Wall Street, pulled share prices lower in Sydney.

Trading was quiet with few foreign investors on the floor and comestic operators concentrated on a narrow range of key stocks.

The All Ordinaries index lost to Y99 respectively.

Gold-related stocks were the hardest hit after the decline in bullion prices over the weekend as the dollar firmed.

A DROP in the gold price and Friday's declined 70 cents to \$33.30 here at the weekend – we d nor-mally be saying 'cheap, cheap, cheap, cheap, theap, t

Dollar fear depresses

Hong Kong
The Boersen-Zeitung index decited 1.17 to 288.65 and the midsession Commerciank index fell 4.2 to 1,292.5.

Electrical Siemens rose DM2.50 Sons of Gwalia dropped 50 UNCERTAINTY, fuelled partly cents to A\$\$.00, Metana slid 30 cents to A\$\$.00, Emperor declined 20 cents to A\$\$.30 and Poseidon was off 15 cents at A\$\$.55.

Nuigini Mining dropped 70 cents to A\$\$.30, Peko lost 30 cents to A\$\$.30, Bougainville shed 14 cents to A\$\$.30 and Bell Resources declined 10 cents to A\$\$.30 and Bell Resources decl cents to A\$8.00, Metana slid 30 by fears of an imminent revalua-cents to A\$9.50, Emperor tion of the Hong Kong dollar, declined 20 cents to A\$4.30 and outweighed a weekend cut of 0.5 Poseidon was off 15 cents at points in the domestic prime

cents to A\$4.25, Elders IXL shed
10 cents to A\$3.20 and its associate AFP declined 8 cents to 90
cents.

Banking stocks were least affected by the general slump.

ANZ lost 5 cents to A\$3.55 and the National Australia Bank fell 3 cents to A\$4.35.

Cents to A\$4.25, Elders IXL shed

Analysts say the mammoth dollar and a better start on Wall

Kashing's companies, which went alread at high prices after the October crash, continues to cast a pall over the market.

Overstretched small investors are sitematical bulleng out and institutional buyers are already by the firmer dollar and a better start on Wall

The weighted ANP-CBS index rose 0.7 to 199.0 but, computed at midsession, did not reflect the cast a pall over the market.

Overstretched small investors are sitematically and a better start on Wall

The weighted ANP-CBS index rose 0.7 to 199.0 but, computed at midsession, did not reflect the cast a pall over the market.

December all share price index futures were 24 points lower at 1,179.0 – 52.7 point discount to 1,179.0 – 52.7 point discount to the physical market – after opening at 1,180.0 from Friday's close of 1,193.0 which is pegged to the US dollar at the rate of HK\$7.80, also provided a stark hackdown. onal Duy vided a stark backdrop.

The feeling is growing among investors that a revaluation is inevitable - although the Government is adamant there will be no change - and that such a move would damage manufacturing and industrial competitudes. turing and industrial competi-Some brokers who believed

Among the major losers, Metal here at the weekend – we'd normally be saying: 'cheap, cheap while Great Eastern Life shed 50 cheap, buy, buy, buy', he added. But there's no bottom to this

SA hangs on bullion uncertainty

BEFORE Black Monday altered the rules of the investment game, Johannesburg brokers were unanimous in their views with their views about 35 per cent, show no signs of recovering.

Investors are unimpressed by estimates that industrial corpoon market trends and fundaon market trends and indus-mentals, writes Jim Jones in Johannesburg. Now, though, they agree on one thing alone – the local market can be pul-led from its post-crash depres-sion only by a strong advance in the bullion price.

The trouble with this simple thesis is that few brokers agree on where gold's price is

Gold shares fell 40 per cent after October's collapse as investors feared a world recession would cut the metal's price. In the event, gold has risen fitfully to break briefly through \$490 an ounce last

Johannesburg gold share indices are nonetheless still 30 per cent down on pre-crash levels, while industrial indices, which initially dropped by

THE STEADY dollar lent some support to blue chips in Europe

yesterday, but an undercurrent of deep uncertainty about the long-term prospects for the US currency curtailed enthusiasm. Investors began trickling back to

European boarses but volume remained comparatively low.

FRANKFUET essed after an early round of buying sparked by the firmer dollar, fizzled out as investors lacked both the heart and numbers for a concerted effort or relly.

certed effort to rally.

estimates that industrial corpo-rate earnings and dividends are likely to grow next year by 20 per cent. The spate of new issues, which led to 200 or so

issues, which sed to 200 or so new listings on the Johannes-burg Stock Exchange this year, has halted abruptly — though not before scorching many

not before scorching many underwriters' fingers.

Mr Keith Bright, a mining analyst with brokers Frankel, Kruger, has shifted from an estimate of US inflation running at about 7 per cent next year to a figure of 3.5 per cent because of recession, low consumer spending and price cuts. He believes this will can the bullion price a view he says is He believes this will cap the bullion price, a view he says is confirmed by gold's drop yesterday to just over \$480/oz from last Friday's \$490. He is pessimistic about gold as long as investors feel they can earn real returns on US bonds.

Mr Hilton Ashton, senior

gold analyst at brokers Mathison & Hollidge, agrees gold could drop further in the next few days, but he believes it will then move steadily towards the \$540/oz level needed to justify current prices of gold mining shares. investors' confidence will be badly knocked, Mr Ashton says, if bullion falters seriously on the way to that level.

Gold shares cannot be called simply on the gold price, Mr Ashton argues. He says foreign investors in particular are prepared to accept lower yields on their gold shares. According to reports in Johannesburg, US investors and precious metal mutual funds are returning to South African gold shares, and ignoring any political risks of investing in the country.

Broker Mr William Bowler sees the bear market lasting and gold shares as beginning the recovery chartists say simply precedes the second self-off

which carries the market fur-ther down its bear run. He says local institutions could underpin the market if could inderpin the market if they believed gold would hold above \$480/oz. For now, he does not believe selling by local mutual funds will depress

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the market excessively. Several of the funds are associated with insurance compa ciated with histrance compa-nies, and they can raise the cash to finance unit redemp-tions by selling shares into their associates portfolios. Other mutuals are believed

Other mutuals are believed aleady to have begun liquidating their most marketable shares, and this partly accounts for De Beers' sharp drop after Black Monday. De Beers closed yesterday, at R28.35, down R65 and is likely to remain the JSE's believether

most of next year.
Yesterday Vaal Reefs fell R18 to R340 as golds eased in thin trade. Kloof lost R1.75 to R38.25 and mining financial dipped R2 to R50.

EUROPE

Currency worries curtail upturn

London

THE NEW trading account opened brightly but London equities lost a lustre gained on the steadier dollar when Wall Street opened hasi-

Dutch internationals all closed Dutch internationals all closed higher. Chemical group Akzo rose F1 1.60 to F1 85.60, Royal Dutch advanced F1 3.50 to F1 193.50, while KLM added 80 cents to F1 26.60. Philips gained 40 cents to F1 27.70 and Unilever climbed F1 1.10 to F1 96.50.

ZURICH turned mixed with an easier biss as continuing dol-lar worries kept volume thin. The Credit Suisse index slipped 6.4 to 407.8. Banks held a fairly even keel.

Banks held a fairly even keel.
Union Bank lost SFr100 to
SFr3,050, Credit Suisse recovered
alightly in late trading and added
SFr10 to SFr2,460 and Swiss
Bank Corp eased SFr1 to SFr364.
Among industrials, Brown
Boveri shed SFr10 to SFr1,690.
Georg Fischer and Elektrowatt
closed unchanged at SFr730 and
SFr2,900 respectively.

wall Street opened hesitantly.
The FT-SE 100 index
ended 15.6 up at 1,598.4.

It advances. The broad-based CBS index rose 1.7 to 61.7, up 2.8

The steading blue chips nearly all fell. Feugeot and Thomson-CSF each lost FFr12 to FFr571 and FFr670 respectively, Paribas dipped FFr14.50 to FFr270.50 and Lafarge-Coppee slipped FFr36 to FFr1,040.

BRUSSELS edged down but selected shares were pulled off earlier lows by a late flurry of

buying.
The Brussels cash market index shed 35.05 to 3.551.11 in low volume while many inves-tors decided to sit it out until after the forthcoming general

In holdings, Reserve was unchanged at BFr2,200, but Sofina eased BFr300 to BFr3,600, Cobepa shed BFr15 to BFr3,955 and Tractebel fell BFr200 to BFr4,500

STOCKHOLM was encouraged by higher prices in London and the firmer dollar which brought investors back to the floor in numbers not seen for nearly a month. The Affaersvaerlden general

PARIS eased during the day but was pulled off early lows by selective bargain hunting when Volvo climbed SKr8 to SKr280,

The CAC index declined 6.5 to SKr148 and Ericsson advanced SKr7 to SKr165.

271.8 with volume slightly higher than in recent washe OSLO continued to decline as anxiety about prices for Nor-way's North Sea oil mounted while OPEC ministers convened in Vienna.

The all-share index lost 4.87 to The all-share have a 242.68 in very thin trading.
Industrials posted the sharpest falls, closely followed by oils.

MILAN drifted below 700 points as political uncertainties and technical considerations

and technical considerations weighed on the market.

The MIB index lost 20 to 699 in very thin trading with many operators marking a local holiday in Milan. Trading was also hampered by the relocation of the stockmarket to temporary premises while the original trad-ing floor is renovated.

Light selling pushed blue chip industrials and insurers lower.

MADRID was lifted by sharp gains in banks which offset retreats in all other sectors.

The general index edged 0.88 higher to 201.96. HELSINKI slipped narrowly lower in ever decreasing trade. The Unitas all-share index lost 0.6 to 571.2 as volume diminindex advanced 1.7 per cent to ished to record lows.

NEW INTEREST RATES

Notice to Account Holders Midland to a Basic Savings Accounts With effect from 7 December 1987 the following rates will apply:-**Griffin Savers/** 5.65 4.25 5.82 Number One High Interest Cheque Account £2,000+ 7.31 5.50 7.53 £10,000+ 7.97 6.00 8.22 Monthly Income 7.18 5.40 7.40 Account £2,000+ Premier Savings 8.31 6.25 8.56 Account £5,000+ Saver Plus 4.32 £100+ 3.25 4.45 5.98 £500+ 4.50 6.16 6.98 £1,000+ 5.25 7.19 Vector 4.00 5.48 6.98 **Vector Savings** 5.25 7.19 Clients' Premium **Deposit Account** 7.00 £25,000-£99,999 5.27 N/A 7.50 £100,000+ 5.64 N/A With effect from 4 December 1987 LIVE!Cash 3.32 £20+ 250 3.42 5.32 £100+ 4.00 5.48 With effect from 5 January 1988 3.32 Save and Borrow



FT - ACTUARIES WORLD INDICES Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY DECEMBER 7 1987				FRIDAY DECEMBER 4 1987			DOLLAR INDEX			
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (89) Australia (16) Belgium (48) Canada (127) Denmark (38) France (121) West Germany (93) Hong Kong (46) Ireland (14) Italy (94) Japan (457) Malaysia (36) Mexico (14) Netherland (37) New Zealand (20) Norway (24) South Africa (61) Spain (43) Sweden (34)	91.81 90.70 94.63 102.59 109.41 78.71 72.55 73.92 94.59 76.37 137.54 93.76 118.72	24 +05 +05 +05 +08 +08 +08 +122 +123 +123 +123 +123 +123 +125 +123 +125 +125 +125 +126 +127 +126 +127 +126 +127 +126 +126 +126 +126 +126 +126 +126 +126	75.85 74.93 78.18 84.76 90.39 65.03 61.07 78.15 63.09 113.63 774.79 62.04 78.91 67.06 110.92 95.78 76.83 76.	732 7848 81.79 95.94 69.95 73.89 83.59 83.59 74.65 62.91 76.55 83.97 83.99 83.09 83.09	4.72 2.67 5.79 3.09 3.83 3.02 6.66 5.43 2.773 0.60 4.05 1.01 5.80 5.39 3.13 4.81 4.15 2.75 2.75 2.75	94.02 90.71 95.08 100.07 110.24 80.29 77.41 93.50 77.41 93.50 97.45 97.49 89.39 75.40 89.39 75.40 89.39 75.40 89.39 75.40 89.39 75.40 89.39 75.40 89.39	77.55 74.82 78.43 90.92 66.27 63.85 77.12 64.43 113.54 96.91 73.73 62.93 74.66 75.76 62.40	89.52 78.42 82.19 96.52 71.26 63.34 77.19 72.57 71.55 93.61 29.24 62.54 79.83 93.17 83.17 83.97	180.81 102.87 134.89 141.78 124.83 121.82 104.93 158.68 160.22 112.11 161.28 193.64 422.59 131.41 138.99 185.01 174.28 198.09 168.81 136.64	85.80 85.53 94.15 98.18 98.18 77.39 68.91 73.92 93.76 93.76 99.72 87.70 95.51 81.65 100.00 100.00 100.00	95.58 95.77 97.22 100.13 99.00 94.40 94.40 94.85 92.50 97.03 98.67 97.37 98.58 100.61 103.84 92.11 95.70 95.93
Switzerland (53) United Kingdom (332) USA (582)	117.00 93.22	+0.8	96.66 76,92	96.66 93.11	4.81	116.06 91.21	95.73 75.23	95.73 91.21	162.87 137.42	99.65 91.21	104.12
Europe (947)	94.62 133.40 117.92 93.61 80.74 83.35 117.56 107.92 93.99	+00 -02 -01 +21 -07 -30 -01 +06 +06 +11	78.17 110.21 97.42 77.34 66.70 68.87 97.13 88.59 89.16 77.65	80.72 112.90 100.05 93.37 70.75 79.71 100.01 97.81 97.64 88.56	4.18 0.82 1.91 3.91 3.62 5.26 1.98 2.40 2.62 4.06	94.60 133.71 118.09 91.68 81.29 85.95 117.70 106.62 107.23 92.98	78.03 110.28 97.40 75.62 67.05 70.89 97.08 87.94 88.44 76.69	80.59 113.19 100.18 91.44 71.16 82.17 100.09 97.24 97.05 87.55	130.02 158.77 143.65 137.55 111.97 164.03 143.38 138.82 139.47 134.22	92.25 100.00 100.00 91.68 78.89 83.17 100.00 100.00 100.00	95.07 96.89 96.17 103.90 96.21 95.25 96.39 100.00 99.36 100.53
The World Index (2406)	108.09	+0.6	89.30	97.67	2.64	107.44	88.62	97.06	139.73	100.00	99.39